

SIXTY-FOURTH DAY

(Thursday, May 2, 1963)

The Senate met at 10:30 o'clock a.m., pursuant to adjournment, and was called to order by the President.

The roll was called, and the following Senators were present:

Aikin	Krueger
Bates	Moffett
Blanchard	Moore
Calhoun	Owen
Cole	Parkhouse
Colson	Patman
Crump	Ratliff
Dies	Reagan
Hall	Richter
Hardeman	Rogers
Harrington	Schwartz
Hazlewood	Strong
Herring	Watson
Kazen	Word
Kennard	

Absent—Excused

Creighton Spears

A quorum was announced present.

Reverend W. H. Townsend, Chaplain, offered the invocation.

On motion of Senator Aikin, and by unanimous consent, the reading of the Journal of the proceedings of yesterday, was dispensed with and the Journal was approved.

Leaves of Absence

Senator Creighton was granted leave of absence for today on account of important business on motion of Senator Herring.

Senator Spears was granted leave of absence for today on account of important business on motion of Senator Bates.

Message from the House

Hall of the House of Representatives
Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following:

The House has adopted the Conference Committee Report on House Bill No. 694 by a vote of 140 ayes, 0 noes.

The House has adopted the Conference Committee Report on House Bill No. 42 by non-record vote.

H. C. R. No. 74, Respectfully requesting the Governor to return House Bills Numbers 314, 316 and 317 to the Enrolling and Engrossing Clerk of the House for certain corrections.

H. B. No. 558, A bill to be entitled "An Act validating, ratifying, confirming and approving contracts, scrip warrants and time warrants and refunding bonds authorized by counties or cities (including Home-Rule cities) or towns since the approval by the Governor of Texas of Chapter 126, Acts of the 57th Legislature, Regular Session, 1961, validating, ratifying, confirming and approving refunding bonds issued for the purpose of refunding time warrants and all proceedings, governmental acts, orders, ordinances, resolutions and other instruments relating to the issuance of refunding bonds for such purposes of counties, cities (including Home-Rule cities) and towns; providing that this Act shall not apply to any contract, scrip warrants, time warrants or to any refunding bond proceedings, governmental acts, orders, resolutions or other instruments, or bonds executed or issued by any county with a population in excess of three hundred and fifty thousand (350,000), according to the last preceding federal census, or any contract, scrip warrant, time warrants or any refunding bond proceedings, governmental acts, orders, ordinances, resolutions or other instruments, or bonds, the validity of which is now involved in litigation; providing a savings clause; and declaring an emergency."

The House has granted the request of the Senate for the appointment of a Conference Committee on Senate Bill No. 234.

House has appointed the following conferees: Adams, Chairman; Brown R., Clayton, Parsley, Quilliam.

The House has granted the request of the Senate for the appointment of a Conference Committee on Senate Bill No. 235.

House has appointed the following conferees: Adams, Chairman; Brown, R., Clayton, Parsley, Quilliam.

S. B. No. 47, A bill to be entitled "An Act providing for the deposit of all revenues derived from easements on property under the control of the Department of Corrections, together with all revenue received by the Department of Corrections as damages to property under its custody and control, to the Special Mineral Fund of the Department of Corrections, created by the provisions of Section 16 of Senate Bill 354, Acts of the 52nd Legislature, Regular Session, 1951, chapter 325, page 556; and declaring an emergency."

S. B. No. 50, A bill to be entitled "An Act establishing and providing for a State mentally retarded school; regulating and providing for the operation of same, creating an independent School District; and declaring an emergency."

S. B. No. 101, A bill to be entitled "An Act amending Art. 6243h, R. C. S. of Tex., 1925, as amended, by allowing the cumulation of credits for 'creditable service' of an employer employed by two or more participating departments, if certain conditions are met; by providing for the retroactive application of this Act in favor of all persons eligible for benefits under the provisions hereof from and after January 1, 1959; and declaring an emergency."

Respectfully submitted,
DOROTHY HALLMAN,
Chief Clerk, House of Representatives

Reports of Standing Committee

Senator Dies submitted the following reports:

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Game and Fish, to which was referred H. B. No. 606, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

DIES, Vice-Chairman.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Coun-

ties, Cities and Towns, to which was referred H. B. No. 777, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

DIES, Chairman.

House Bill 606 Ordered Not Printed

On motion of Senator Moore and by unanimous consent H. B. No. 606 was ordered not printed.

House Bill 777 Ordered Not Printed

On motion of Senator Cole and by unanimous consent H. B. No. 777 was ordered not printed.

Reports of Standing Committees

Senator Aikin submitted the following reports:

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred H. B. No. 161, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do not pass, but that the Committee Substitute adopted in lieu thereof do pass as amended and be printed.

AIKIN, Chairman.

C. S. H. B. No. 161 was read the first time.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred S. B. No. 475, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass and be printed.

AIKIN, Chairman.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred S. B. No. 455, have had the same under consideration, and we are instructed to

report it back to the Senate with the recommendation that it do pass as amended and be printed.

AIKIN, Chairman.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred H. B. No. 174, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass and be printed.

AIKIN, Chairman.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred H. B. No. 99, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do not pass, but that the Committee Substitute adopted in lieu thereof do pass and be printed.

AIKIN, Chairman.

C. S. H. B. No. 99 was read the first time.

Senator Hardeman submitted the following reports:

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Jurisprudence, to which was referred S. C. R. No. 53, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

HARDEMAN, Chairman.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Jurisprudence, to which was referred S. B. No. 489, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

HARDEMAN, Chairman.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Jurisprudence, to which was referred H. B. No. 757, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

HARDEMAN, Chairman.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Jurisprudence, to which was referred H. B. No. 343, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

HARDEMAN, Chairman.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Jurisprudence, to which was referred H. B. No. 902, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

HARDEMAN, Chairman.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Jurisprudence, to which was referred H. B. No. 778, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

HARDEMAN, Chairman.

Senator Dies submitted the following report:

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Counties, Cities and Towns, to which was referred H. B. No. 447, have had the same under consideration, and we are

instructed to report it back to the Senate with the recommendation that it do pass, and be not printed.

DIES, Chairman.

Senator Crump submitted the following reports:

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Education, to whom was referred S. B. No. 426, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

CRUMP, Chairman.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Education, to whom was referred S. B. No. 460, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass as amended, and be printed.

CRUMP, Chairman.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Education, to whom was referred H. B. No. 173, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

CRUMP, Chairman.

Senate Bill 390 with House Amendments

Senator Harrington called S. B. No. 390 from the President's table for consideration of the House amendments to the bill.

The President laid the bill and House amendments before the Senate, and the House amendments were read.

Senator Harrington moved that the Senate concur in the House amendments.

The motion prevailed.

Senate Bill 492 on First Reading

By unanimous consent the following local bill was introduced, read first time and referred to the committee indicated:

By Senator Schwartz:

S. B. No. 492, A bill to be entitled "An Act creating a conservation and reclamation district under the provisions of Section 59, Article XVI, Constitution of Texas, to be known as 'Galveston West Bay Municipal Utility District of Galveston County, Texas'; prescribing its rights, powers, privileges, and duties; providing the District shall bear the sole expense of the relocation of certain facilities under the provisions of this Act; providing for its governing body; containing provisions as to its taxes and its tax assessor and collector; containing provisions relating to addition of land; providing that its bonds are legal and authorized investments; containing other provisions relating to the subject; providing a severability clause; and declaring an emergency."

To the Committee on Counties, Cities and Towns.

Bills Signed

The President signed in the presence of the Senate after the captions had been read, the following enrolled bills:

S. B. No. 133, A bill to be entitled "An Act amending House Bill No. 343, Chapter 333, Acts of the 57th Legislature, Regular Session, 1961, authorizing the Board for Texas State Hospitals and Special Schools to determine the amount of land excess to the needs of the operation of the Abilene State School; to sell and convey same; and declaring an emergency."

S. B. No. 165, A bill to be entitled "An Act creating within the Governor's office a commission to be known as the 'Vehicle Equipment Safety Commission'; etc.; and declaring an emergency."

S. B. No. 190, A bill to be entitled "An Act authorizing the Adjutant General's Department to convey whatever right, title or interest the State of Texas may have in certain lands to the City of Mineral Wells; and declaring an emergency."

S. B. No. 193, A bill to be entitled "An Act repealing Section 4a of House Bill No. 11, Chapter 327, Acts of the Fifty-first Legislature, Regular Session, 1949 (codified as Article 2815j-2, Section 4a, Vernon's Texas Civil Statutes); and declaring an emergency."

S. B. No. 208, A bill to be entitled "An Act authorizing the commissioners court of each county to appropriate monies for the purpose of erecting historical markers, monuments, and medallions, and purchasing objects and collections of objects of any kind which are of historical significance to such county; and declaring an emergency."

S. B. No. 236, A bill to be entitled "An Act to amend paragraph A. 8 of Part II, of Article 3.39 Texas Insurance Code, as enacted by the Acts of the 57th Legislature, 1961, page 925, Chapter 410; and declaring an emergency."

S. B. No. 241, A bill to be entitled "An Act authorizing the county judge to appoint a County Historical Survey Committee; providing for surveys; etc.; and declaring an emergency."

S. B. No. 242, A bill to be entitled "An Act making it unlawful for anyone to wilfully excavate in or upon or to disturb, deface, disfigure, damage, destroy or remove any historic or prehistoric ruin, burial ground, archaeological or vertebrate paleontological site, or site including fossilized footprints, inscriptions, made by human agency, or any other archaeological or paleontological feature, or any historic marker, medallion, monument or other historical feature, situated on lands owned or controlled by the State of Texas, or any agency thereof, without previously complying with the provisions of Chapter 32, Acts of the 42nd Legislature, First Called Session, 1931, and Chapter 1, Page 60, Archaeology Title, Acts of the 46th Legislature, General Laws, 1939 (compiled as Articles 147a and 147b, respectively, of Vernon's Texas Penal Code); providing penalties; providing a severability clause; and declaring an emergency."

S. B. No. 250, A bill to be entitled "An Act to repeal Section 12 of Article 3.44 of the Insurance Code of Texas, Acts of 1951, 52nd Legisla-

ture, Page 868, Chapter 491, as amended, which Section prescribes certain requirements for family group life insurance policies; providing for a severability clause; and declaring an emergency."

S. B. No. 251, A bill to be entitled "An Act amending Article 718, Revised Civil Statutes of Texas, 1925, relating to issuing of bonds by the county to include bonds to establish a nursing home; providing for liberal construction; providing for severability; and declaring an emergency."

S. B. No. 280, A bill to be entitled "An Act to amend the Insurance Code of Texas, Chapter 14, Acts 1951, 52nd Legislature, page 868, Chapter 491, as amended, by adding thereto a new article, 14.14a; to provide for its application to companies or associations regulated by the provisions of Chapter 14 of the Insurance Code of Texas; etc.; and declaring an emergency."

S. B. No. 287, A bill to be entitled "An Act to amend Chapter 403, Acts of 1947, 50th Legislature, p. 945 (codified as Article 5441a, Vernon's Texas Civil Statutes Annotated, 1925); providing for duties for departments and institutions of the State regarding records administration; and declaring an emergency."

S. B. No. 329, A bill to be entitled "An Act to amend Section 16(B) of Article 5421m, Title 86, Chapter 7, Revised Civil Statutes of Texas, as amended by the Acts of the 57th Legislature, 1962, Third Called Session, Page 134, Chapter 45, Section 1, to provide that renewal coverage of terminated insurance shall be subject to evidence of insurability; and to provide that the total insured indebtedness shall not exceed Ten Thousand Dollars (\$10,000), providing for severability; and declaring an emergency."

S. B. No. 338, A bill to be entitled "An Act relating to products made by inmates of the Texas Department of Corrections and the sale of such products to state institutions, departments and agencies and to political subdivisions; etc., and declaring an emergency."

S. B. No. 350, A bill to be entitled "An Act creating a County Court at Law No. 2 of Travis County, Texas, etc., and declaring an emergency."

S. B. No. 264, A bill to be entitled "An Act amending House Bill 886, Acts of the 53rd Legislature, Regular Session, 1953, ch. 394, p. 937, codified as Article 5165a, Vernon's Civil Statutes, regulating the hours of State departments so as to repeal the requirement that headquarters offices shall be open on each Saturday from 8 A.M. to 12 noon; and declaring an emergency."

S. B. No. 383, A bill to be entitled "An Act amending Section 8, House Bill No. 169, Chapter 427, Acts of the 55th Legislature, Regular Session, 1957, providing for contracts in the conduct of research; and declaring an emergency."

S. B. No. 416, A bill to be entitled "An Act authorizing the Commissioners' Court of any County to refund outstanding causeway revenue bonds with bonds or proceeds of bonds issued by any said Commissioners' Court and to levy and collect an ad valorem tax to pay the interest on and principal of such refunding bonds, etc., and declaring an emergency."

S. B. No. 417, A bill to be entitled "An Act amending Section 10 of Article 3.01 of the Insurance Code of Texas, Acts of 1951, Fifty-second Legislature, sec. 1, ch. 491, p. 868, as amended by H. B. 491, Acts of 1961, Fifty-seventh Legislature, sec. 1, ch. 470, p. 1056, to redefine the term 'net assets' by including certain equipment and labor-saving machines and devices as part of the 'net assets' of a life insurance company; to delete the minimum cost requirement for inclusion of electronic machines and systems within the term 'net assets' of a life insurance company; providing for severability; and declaring an emergency."

S. B. No. 422, A bill to be entitled "An Act providing for the creation of the Mid Crosby County Hospital District, etc., and declaring an emergency."

S. B. No. 419, A bill to be entitled "An Act amending Chapter 3 of the Insurance Code of the State of Texas to add thereto a new Article 3.71, authorizing two or more insurance companies to join together in organizations, to offer, sell and administer hospital and surgical and medical

expenses insurance plans under a group policy covering residents of Texas 65 years of age and older and their spouses, etc., and declaring an emergency."

S. B. No. 432, A bill to be entitled "An Act relating to the creation of a County Court at Law for Smith County; and declaring an emergency."

S. B. No. 436, A bill to be entitled "An Act amending Chapter 14 of Title 122A, Taxation—General, Revised Civil Statutes of Texas, 1925, by adding thereto a new article relating to certain exemptions from the inheritance tax applicable to certain nonresidents; defining the applicability of the Act; and declaring an emergency."

S. B. No. 440, A bill to be entitled "An Act authorizing the commissioners court of Orange County to pay the District Judge of the 128th Judicial District compensation in addition to compensation paid by the state; and declaring an emergency."

H. B. No. 50, A bill to be entitled "An Act amending Chapter 421, Acts of the 50th Legislature, Regular Session, 1947, as amended (codified as Article 6701d, Vernon's Texas Civil Statutes), and known as the "Uniform Act Regulating Traffic on Highways," by adding thereto a new article relating to speed of vehicles, and rules of enforcement; repealing Section 8 of Chapter 42, Acts of the 41st Legislature, Second Called Session, 1929, as amended (codified as Section 8 of Article 827a, Vernon's Penal Code of Texas); and declaring an emergency."

H. B. No. 167, A bill to be entitled "An Act authorizing the establishment of rehabilitation districts to provide education, training, special services and guidance for handicapped persons; providing for its financing and administration; and declaring an emergency."

H. B. No. 11, A bill to be entitled "An Act relating to the advertising of the scenic, historical, natural, agricultural, educational, recreational and other attractions of Texas; providing for the creation of the Texas Tourist Development Agency; etc., and declaring an emergency."

H. B. No. 528, A bill to be entitled

"An Act amending Chapter 125, Acts of the 45th Legislature, Regular Session, 1937, as amended (compiled as Article 6243e, Vernon's Texas Civil Statutes), by adding thereto a new section requiring cities having a population of more than eight hundred thousand (800,000), according to the last preceding federal census to make deductions from the monthly salaries of firemen and monthly contributions of specified amounts into the Firemen's Relief and Retirement Fund; etc., and declaring an emergency."

H. B. No. 13, A bill to be entitled "An Act regulating the authority of cities, towns and villages to annex territory, etc., and declaring an emergency."

House Bills on First Reading

The following bills received from the House, were read the first time and referred to the committees indicated:

H. B. No. 767, To the Committee on Counties, Cities, and Towns.

H. B. No. 385, To the Committee on Counties, Cities and Towns.

H. B. No. 391, To the Committee on Jurisprudence.

H. B. No. 482, To the Committee on Game and Fish.

H. B. No. 733, To the Committee on State Affairs.

H. B. No. 760, To the Committee on Transportation.

H. B. No. 947, To the Committee on Counties, Cities and Towns.

H. B. No. 998, To the Committee on Game and Fish.

H. B. No. 984, To the Committee on Counties, Cities and Towns.

H. B. No. 995, To the Committee on Education.

H. B. No. 1020, To the Committee on Game and Fish.

H. B. No. 1026, To the Committee on Game and Fish.

H. B. No. 1033, To the Committee on Counties, Cities and Towns.

H. B. No. 1025, To the Committee on Game and Fish.

H. B. No. 1017, To the Committee on Counties, Cities and Towns.

H. B. No. 1013, To the Committee on Counties, Cities and Towns.

H. B. No. 1009, To the Committee on Counties, Cities and Towns.

H. B. No. 1010, To the Committee on Game and Fish.

H. B. No. 1008, To the Committee on Water and Conservation.

H. B. No. 527, To the Committee on Counties, Cities and Towns.

H. B. No. 542, To the Committee on Education.

H. B. No. 568, To the Committee on State Affairs.

H. B. No. 574, To the Committee on Counties, Cities and Towns.

H. B. No. 587, To the Committee on Agriculture and Livestock.

H. B. No. 619, To the Committee on Education.

H. B. No. 636, To the Committee on Game and Fish.

H. B. No. 656, To the Committee on State Affairs.

H. B. No. 668, To the Committee on State Affairs.

H. B. No. 691, To the Committee on Public Health.

H. B. No. 735, To the Committee on State Affairs.

H. B. No. 849, To the Committee on Counties, Cities and Towns.

H. B. No. 909, To the Committee on Counties, Cities and Towns.

H. B. No. 937, To the Committee on Counties, Cities and Towns.

H. B. No. 971, To the Committee on Counties, Cities and Towns.

H. B. No. 992, To the Committee on Counties, Cities and Towns.

H. B. No. 558, To the Committee on Jurisprudence.

Report of Standing Committees

Senator Dies by unanimous consent submitted the following reports:

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Counties, Cities and Towns, to which was referred H. B. No. 1013, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

DIES, Chairman.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Counties, Cities and Towns, to which was referred H. B. No. 767, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

DIES, Chairman.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Game and Fish, to which was referred H. B. No. 579, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

DIES, Vice-Chairman.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Game and Fish, to which was referred H. B. No. 998, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

DIES, Vice-Chairman.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Game and Fish, to which was referred H. B. No. 1026, have had the same under consideration, and we are instructed to report it back

to the Senate with the recommendation that it do pass, and be printed.

DIES, Vice-Chairman.

House Bill 1013 Ordered Not Printed

On motion of Senator Dies and by unanimous consent H. B. No. 1013 was ordered not printed.

House Bill 998 Ordered Not Printed

On motion of Senator Schwartz and by unanimous consent H. B. No. 998 was ordered not printed.

House Bill 767 Ordered Not Printed

On motion of Senator Ratliff and by unanimous consent H. B. No. 767 was ordered not printed.

House Concurrent Resolution 72 on Second Reading

The President laid before the Senate on its second reading the following resolution:

H. C. R. No. 72, Directing the Engraving and Enrolling Clerk of the House of Representatives to make certain corrections in House Bill No. 953.

The resolution was read.

By unanimous consent the resolution was considered immediately and was adopted.

House Concurrent Resolution 69 on Second Reading

The President laid before the Senate on its second reading the following resolution:

H. C. R. No. 69, Congratulating Radio Station KAJC-FM on receiving a news award from United Press-International.

The resolution was read.

By unanimous consent the resolution was considered immediately and was adopted.

House Concurrent Resolution 74 on Second Reading

The President laid before the Senate on its second reading the following resolution:

H. C. R. No. 74, Recalling House Bills Nos. 314, 316 and 317 from the Governor's Office for correction.

The resolution was read.

By unanimous consent the resolution was considered immediately and was adopted.

**House Concurrent Resolution 70
on Second Reading**

The President laid before the Senate on its second reading the following resolution:

H. C. R. No. 70, Recalling House Bill No. 359 from the Governor's Office for certain corrections by the Engrossing and Enrolling Clerk of the House.

The resolution was read.

By unanimous consent the resolution was considered immediately and was adopted.

**House Concurrent Resolution 67
on Second Reading**

The President laid before the Senate on its second reading the following resolution:

H. C. R. No. 67, Authorizing Director of Corrections of the Texas Department of Corrections to accede to the wishes of the Kiowa Indians of Oklahoma for removal of bones of Satanto or White Bear.

The resolution was read.

By unanimous consent the resolution was considered immediately and was adopted.

Senate Resolution 483

Senator Hardeman offered the following resolution:

Whereas, The paintings under the care, custody and control of the Senate are in need of continuing attention and care after adjournment of this Session; and

Whereas, The value of these paintings and their appeal to the patriotism of the people of Texas and other citizens who are fortunate enough to view them demands their conservation for posterity; now, therefore, be it

Resolved, By the Senate of Texas,

that the President of the Senate be, and he is hereby authorized and directed to appoint a committee to be composed of the Lieutenant Governor and two Members of the Senate, appointed by the Lieutenant Governor, to secure qualified personnel to conserve paintings in the control and custody of the Senate and to either repair or replace frames thereon as may be necessary; to rearrange or relocate any or all of such paintings as to placement, including but not limited to block panel pictures, their restoration and reproduction; notwithstanding prior resolutions relating to such; and the committee is hereby authorized to take any other action necessary to the preservation of such paintings together with the right to re-arrange or relocate the same in State buildings; that the committee is authorized to pay any expense necessary to carry out the purpose of this Resolution, as well as the actual expenses of the committee members in attendance upon any meeting or meetings of said committee as may be necessary to be expended out of the contingent expense fund of the Senate for such purposes, upon a voucher or vouchers drawn by the Lieutenant Governor and chairman of the Contingent Expense Committee of the Senate upon the approval of the Chairman of the Committee on Conservation of Paintings.

The resolution was read and was adopted.

(Senator Word in the Chair.)

Senate Concurrent Resolution 63

Senator Herring offered the following resolution:

S. C. R. No. 63, Use of land for medical facilities to enhance Board for Texas State Hospitals and Special Schools.

Whereas, The State of Texas is in need of additional facilities for psychiatric care of patients of all economic and educational levels and is experiencing a rapidly growing demand for psychiatric care; and

Whereas, There is a growing trend toward interdependence between hospitals of psychiatric medicine and hospitals of general medicine in providing needed specialized medical care, and in the sharing of opportunities and of facilities for advanced professional training; and

Whereas, There is a scarcity of suitable sites of unimproved land for a medical center consisting of general facilities, a medical school, psychiatric facilities and research facilities, and that such scarcity confers a unique value on the land held by the Board for Texas State Hospitals and Special Schools adjacent to the Austin State Hospital; now, therefore, be it

Resolved, By the Senate of the State of Texas, the House of Representatives concurring, that it is the sense of this Legislature that said land should not be sold unless it is to be used as a site for the establishment of medical facilities which would enhance the Board for Texas State Hospitals and Special Schools.

The resolution was read.

On motion of Senator Herring and by unanimous consent the resolution was considered immediately and was adopted.

**Conference Committee Report on
House Bill 42**

Senator Herring submitted the following Conference Committee Report on H. B. No. 42:

Austin, Texas,
May 1, 1963.

Hon. Preston Smith, President of the Senate.

Hon. Byron Tunnell, Speaker of the House of Representatives.

Sirs: We, your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on H. B. No. 42, have met and had same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

HERRING
OWEN
PARKHOUSE
RATLIFF
HALL

On the part of the Senate.

FONDREN
CAIN
WHATLEY
SATTERWHITE

On the part of the House.

H. B. No. 42,

A BILL

To Be Entitled

An Act amending certain Sections of

the Securities Act, Senate Bill No. 294, Chapter 269, Fifty-fifth Legislature, and codified as Articles 581-1 to 581-39, Vernon's Annotated Civil Statutes of 1925, as amended, by amending Subsections E, G, H, I and O of Section 5; by adding a new Subsection R to Section 5; by adding a new Subsection D to Section 7; by amending Subsection B of Section 9; by amending Section 13; by adding a new Subsection G to Section 14; by repealing Subsection G of Section 29; and by amending Section 33; and by amending Subsection A of Section 7; providing for severability; saving pending proceedings; and declaring an emergency."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. Subsection E of Section 5 of the Securities Act, Acts, 1957, Fifty-fifth Legislature, Chapter 269, is hereby amended so as to read as follows:

"E. Any offer and any transaction pursuant to any offer by the issuer of its securities to its existing security holders (including persons who at the time of the transaction are holders of convertible securities or non-transferable warrants) if no commission or other remuneration (other than a stand-by commission) is paid or given directly or indirectly for soliciting any security holder in this State."

Sec. 2. Subsection G of Section 5 of the Securities Act, Acts, 1957, Fifty-fifth Legislature, Chapter 269, is hereby amended to read as follows:

"G. The issue or sale of securities (a) by one corporation to another corporation or the security holders thereof pursuant to a vote by one or more classes of such security holders, as required by the certificate of incorporation or the applicable corporation statute, in connection with a merger, consolidation or sale of corporate assets, or (b) by one corporation to its own stockholders in connection with the change of par value stock to no par value stock or vice versa, or the exchange of outstanding shares for the same or a greater or smaller number of shares; provided that in any such case such security holders do not pay or give or promise and are not obligated to pay or give any consideration for the securities so

issued or sold other than the securities of the corporation then held by them."

Sec. 3. Subsection H of Section 5 of the Securities Act, Acts, 1957, Fifty-fifth Legislature, Chapter 269, is hereby amended so as to read as follows:

"H. The sale of any security to any bank, trust company, building and loan association, insurance company, surety or guaranty company, savings institution, investment company as defined in the Investment Company Act of 1940, small business investment company as defined in the Small Business Investment Act of 1958, as amended, or to any registered dealer actually engaged in buying and selling securities; or the issue or sale of any investment contract in connection with an employees' stock bonus, annuity, pension, profit-sharing or similar employee benefit plan provided the securities purchased under the plan either would be exempt if sold by a registered dealer under Section 6 hereof or shall be qualified under Section 7 hereof or purchased in a transaction exempt under Section 5 hereof."

Sec. 4. Subsection I of Section 5 of the Securities Act, Acts 1957, Fifty-fifth Legislature, Chapter 269, is hereby amended so as to read as follows:

"I. Provided such sale is made without any public solicitation or advertisements, (a) the sale of any security by the issuer thereof so long as the total number of security holders of the issuer thereof does not exceed thirty-five (35) persons after taking such sale into account; (b) the sale of shares of stock pursuant to the grant of an employees' restricted stock option as defined in the Internal Revenue Laws of the United States; or (c) the sale by an issuer of its securities during the period of twelve (12) months ending with the date of the sale in question to not more than fifteen (15) persons (excluding, in determining such fifteen (15) persons, purchasers of securities in transactions exempt under other provisions of this Section 5, purchasers of securities exempt under Section 6 hereof and purchasers of securities which are part of an offering registered under Section 7 hereof), provided such persons pur-

chased such securities for their own account and not for distribution.

"The issuer shall file a notice not less than five (5) days prior to the date of consummation of any sale claimed to be exempt under the provisions of clause (c), of this Subsection 1, setting forth the name and address of this issuer, the total amount of the securities to be sold under this clause, the price at which the securities are to be sold, the date on which the securities are to be sold, the names and addresses of the proposed purchasers, and such other information as the Commissioner may reasonably require, including a certificate of a principal officer of the issuer that reasonable information concerning the plan of business and the financial condition of the issuer has been furnished to the proposed purchasers. The Commissioner may by order revoke or suspend the exemption under this clause (c) with respect to any security if he has reasonable cause to believe that the plan of business of the issuer of such security, the security, or the sale thereof would tend to work a fraud or deceit upon the purchaser or purchasers thereof, such order to be subject to review in the manner provided by Section 24 of this Act. The revocation or suspension of this exemption shall be inapplicable to the issuer until such issuer shall have received actual notice from the Commissioner of such revocation or suspension."

Sec. 5. Subsection O of Section 5 of the Securities Act, Acts, 1957, Fifty-fifth Legislature, Chapter 269, is hereby amended so as to read as follows:

"O. The sale by a registered dealer of outstanding securities provided that:

"(1) Such securities form no part of an unsold allotment to or subscription by such dealer as a participant in the distribution of such securities by the issuer thereof; and

"(2) Securities of the same class, of the same issuer, are outstanding in the hands of the public; and

"(3) Such securities are offered for sale, in good faith, at prices reasonably related to the current market price of such securities at the time of such sale; and

"(4) No part of the proceeds of such sale are paid directly or indirect-

ly to the issuer of such securities; and

"(5) Such sale is not directly or indirectly for the purposes of providing or furthering any scheme to violate or evade any provision of this Act; and

"(6) The right to sell or resell such securities has not been enjoined by any court of competent jurisdiction in this state by proceedings instituted by an officer or agency of this state charged with enforcement of this Act; and

"(7) The right to sell such securities has not been revoked or suspended by the Commissioner under any of the provisions of this Act, or, if so, revocation or suspension is not in force and effect; and

"(8) At the time of such sale, the insurer of such securities shall be a going concern actually engaged in business and shall then be neither in an organization stage nor in receivership or bankruptcy; and

"(9) Such securities or other securities of the issuer of the same class have been registered by qualification, notification or coordination under Section 7 of this Act; or at the time of such sale at least the following information about the issuer shall appear in a recognized securities manual or in a statement, in form and extent acceptable to the Commissioner, filed with the Commissioner by the issuer or by a registered dealer:

"(a) A statement of the issuer's principal business;

"(b) A balance sheet as of a date within eighteen (18) months of the date of such sale; and

"(c) Profit and loss statements and a record of the dividends paid, if any, for a period of not less than three (3) years prior to the date of such balance sheet or for the period of existence of the issuer, if such period of existence is less than three (3) years.

"The term 'recognized securities manual' shall include the manuals published by Moody's Investment Service, Standard & Poor's Corporation, Best's Life Insurance Reports, and such other nationally distributed manuals of securities as may be approved for use hereunder by the Commissioner.

"The Commissioner may issue a

stop order or by order prohibit, revoke or suspend the exemption under this Subsection O with respect to any security if he has reasonable cause to believe that the plan of business of the issuer of such security, the security, or the sale thereof would tend to work a fraud or deceit upon any purchaser or purchasers thereof, such order to be subject to review in the manner provided by Section 24 of this Act. Notice of any court injunction enjoining the sale, or resale, of any such security, or of an order revoking or suspending the exemption under this subdivision with respect to any security, shall be delivered or shall be mailed by certified or registered mail with return receipt requested, to any dealers believed to be selling, or offering for sale, securities of the type referred to in the notice; and the prohibitions of (6) and (7) above of this Subsection O shall be inapplicable to any dealer until he has received actual notice from the Commissioner of such revocation or suspension.

"Except for the manuals published by Moody's Investment Service, Standard & Poor's Corporation, the Best's Life Insurance Reports, the Commissioner may for cause shown revoke or suspend the recognition hereunder of any manuals previously approved by the Commissioner under this Subsection but no such action may be taken by the Commissioner unless upon notice and opportunity for hearing as provided by Section 24 of this Act. Any interested party aggrieved by any decision of the Commissioner pursuant to such hearing may appeal to the district court of Travis County, Texas, in the manner provided by Section 27 of this Act. A judgment sustaining the Commissioner in the action complained of shall not bar after one year an application by the plaintiff for approval of its manual or manuals hereunder, nor shall a judgment in favor of the plaintiff prevent the Commissioner from thereafter revoking such recognition for any proper cause which may thereafter accrue or be discovered."

Sec. 6. Section 5 of the Securities Act, Acts, 1957, Fifty-fifth Legislature, Chapter 269, is hereby amended by adding thereto a new Subsection R to read as follows:

"R. The sale by the issuer itself, or by a subsidiary of such issuer, of any securities which would be exempt

if sold by a registered dealer under Section 6 (other than Subsection 6-E) of this Act.

Sec. 7. Section 7 of the Securities Act, Acts, 1957, Fifty-fifth Legislature, Chapter 269, is hereby amended by adding thereto a new Subsection D to read as follows:

"D. If the fiscal year of the issuer terminated on a date more than 90 days prior to the date of the filing, then the financial statements required in Subsections A and B of this Section 7, which must be as of a date not more than 90 days prior to the date of filing, need not be certified by an independent certified public or independent public accountant if there are filed in addition thereto financial statements containing the information required by the applicable subdivision which are certified by an independent certified public or independent public accountant as of the end of the preceding fiscal year of the issuer."

Sec. 8. Subsection B of Section 9 of the Securities Act, Acts, 1957, Fifty-fifth Legislature, Chapter 269, is hereby amended to read as follows:

"B. The total expense for marketing securities, including all commissions for the sale of such securities, and all other incidental selling expenses, shall not in the aggregate exceed twenty per cent (20%) of the price at which the stock or other securities of any proposed or existing company are to be sold, or offered for sale, to the public of this State; and this amount may be limited by the Commissioner to a less percentage which is in his opinion fair, just and equitable under the facts of the particular case."

Sec. 9. Section 13 of the Securities Act, Acts, 1957, Fifty-fifth Legislature, Chapter 269, is hereby amended so as to read as follows:

Section 13. Method of Registration Required of Each Dealer and Each Agent or Salesman of Each Dealer.

"A. A dealer to be registered must submit a sworn application therefor to the Commissioner, which shall be in such form as the Commissioner may determine and which shall state:

"(1) The principal place of business of the applicant wherever situated;

"(2) The location of the principal place of business and all branch offices in this state, if any;

"(3) The name of style of doing business and the address of the dealer;

"(4) The names, residences and the business addresses of all persons interested in the business as principal, officer, director or managing agent, specified as to each his capacity and title; and

"(5) The general plan and character of business of such applicant and the length of time during and the places at which the dealer has been engaged in the business.

"B. Such application shall also contain such additional information as to applicant's previous history, record, associations and present financial condition as may be required by the Commissioner, or as is necessary to enable the Commissioner to determine whether the sale of any securities proposed to be issued or dealt in by such applicant would result in fraud.

"C. Each application shall be accompanied by certificates or other evidences satisfactory to the Commissioner establishing the good reputation of the applicant, his directors, officers, copartners or principals.

"D. The Commissioner shall require as a condition of registration for all registrations granted after the effective date of this subparagraph D that the applicant (and, in the case of a corporation or partnership, the officers, directors or partners to be licensed by the applicant) pass successfully a written examination to determine the applicant's qualifications and competency to engage in the business of dealing in and selling securities as a dealer or as a salesman, or rendering services as an investment adviser. This condition may be waived as to any applicant or class of applicants by action of the State Securities Board.

"E. If the applicant is a corporation organized under the laws of any other state or territory or government or shall have its principal place of business therein, it shall accompany the application with a copy of its Articles of Incorporation and all amendments thereto, certified by the proper officer of such state or government or of the corporation, and its regulations and bylaws.

"F. If a limited partnership, either a copy of its Articles of Copartnership or a verified statement of the plan of doing business.

"G. If an unincorporated association or organization under the laws of any other state, territory or government, or having its principal place of business therein, a copy of its Articles of Association, Trust Agreement or other form of organization.

"H. It shall be the duty of the Commissioner to prepare a proper form to be used by the applicant under the terms of this Section, and the Commissioner shall furnish copies thereof to all persons desiring to make application to be registered as a dealer."

Sec. 10. Section 14 of the Securities Act, Acts, 1957, Fifty-fifth Legislature, Chapter 269, is hereby amended by adding thereto a new Subsection G to read as follows:

"G. Has not complied with a condition imposed by the Commissioner under Section 13-D. Provided, however, that this Subsection G shall not apply to any person or company registered as a dealer or salesman on the effective date of this subparagraph G."

Sec. 11. Section 29 of the Securities Act, Acts, 1957, Fifty-fifth Legislature, Chapter 269, is hereby amended by repealing Subsection G thereof in its entirety.

Sec. 12. Section 33 of the Securities Act, Acts, 1957, Fifty-fifth Legislature, Chapter 269, is hereby amended so as to read as follows:

"Section 33. Civil Liabilities.

"A. Any person who

"(1) Offers or sells a security in violation of Sections 7, 9 (or any requirement of the Commissioner thereunder), 12, 23B or any order under 23A of this Act, or

"(2) Offers or sells a security (whether or not the security or transaction is exempt under Section 5 or 6 of this Act) by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made not misleading (when the person buying the security does not know of the untruth or omission, and who in the exercise of reasonable care could not have known of the untruth or omission) is liable to the person buying the security from him, who may sue either at law or in equity to recover the consideration paid for the security, together with interest

at six per cent (6%) per year from the date of payment, less the amount of any income received on the security upon the tender of the security, or for damages if he no longer owns the security. Damages are the amount that would be recoverable upon a tender less (a) the value of the security when the buyer disposed of it and (b) interest at six per cent (6%) per year on such value from the date of disposition. Nothing herein shall prevent the award of punitive or exemplary damages in an amount not to exceed twice the actual damages, as found by the jury, when such false representation or omission is proven to be wilfully made.

"B. Every cause of action under this Act survives the death of any person who might have been a plaintiff or defendant.

"C. No person may sue under Subsection A (1) of this Section 33 more than three (3) years after the contract of sale. No person may sue under said Subsection A (1) if the buyer received a written offer accompanied by reasonable financial information before suit and at a time when he owned the security, to refund the consideration paid together with interest at six per cent (6%) per year from the date of payment, less the amount of any income received on the security, and he failed to accept the offer within thirty (30) days of its receipt; or if the buyer received such an offer in the amount specified above less the value of the security when the buyer disposed of it, and less interest at six per cent (6%) per year on such value from date of disposition, before suit and at a time when he did not own the security, unless he rejected the offer in writing within thirty (30) days of its receipt. In connection with any such offer, the seller shall deposit funds in escrow in a state or national bank doing business in the State of Texas, or receive an unqualified commitment from such bank to furnish funds, sufficient to provide for the refund on all securities covered by the offer. The notice accompanying such offer shall state (1) the name of such bank where the refund may be obtained upon surrender of the security, or if the buyer has disposed of such security upon satisfactory proof of such disposition and of the value received therefor, and (2) the buyer, upon receipt of the refund, may not sue to recover

the consideration paid plus interest or for damages under Subsection A (1) of this Section 33, and (3) that the buyer, in the event of failure to accept the offer within thirty (30) days of its receipt, may not sue to recover the consideration paid plus interest or for damages under Subsection A (1) of this Section 33. No person may sue under Subsection A (2) more than three (3) years after the contract of sale or more than three (3) years after the buyer in the exercise of ordinary care should have discovered that such sale was made in violation of said Subsection A (2). Nothing in this Subsection C shall affect or restrict the periods of limitation or other rights applicable to causes of action based on fraud brought pursuant to Article 4004 of the Revised Civil Statutes.

"D. No person who has made or engaged in the performance of any contract in violation of any provision of this Act or any rule or order or requirement hereunder, or who has acquired any purported right under any such contract with knowledge of the facts by reason of which its making or performance was in violation, may base any suit on the contract.

"E. Any condition, stipulation or provision binding any person acquiring any security to waive compliance with any provision of this Act or any rule or order or requirement hereunder is void.

F. The rights and remedies provided by this Act are in addition to any other rights or remedies that may exist at law or in equity."

Sec. 12a. Subsection A of Section 7 of the Securities Act, Acts, 1957, Fifty-fifth Legislature, Chapter 269, is hereby amended so as to read as follows:

"A. Qualification of Securities.

"(1) No dealer, agent or salesman shall sell or offer for sale any securities issued after September 6, 1955, except those which shall have been registered by Notification under subdivision B or by Coordination under subdivision C of this Section 7 and except those which come within the classes enumerated in subdivisions A to R, both inclusive, of Section 5 of this Act, or subdivision A to K, both inclusive, of Section 6 of this Act, until the issuer of such securities or a dealer registered under the provisions of this Act shall have been granted a

permit by the Commissioner; and no such permit shall be granted by the Commissioner until the issuer of such securities or a dealer registered under the provisions of this Act shall have filed with the Commissioner a sworn statement verified under the oath of an executive officer or partner of the issuer, or of such registered dealer, and attested by the secretary or partner thereof, setting forth the following information:

"a. The names, residences and post office addresses of the officers and directors of the company;

"b. The location of its principal office and of all branch offices in this state, if any;

"c. A copy of its articles of incorporation or partnership or association, as the case may be, and of any amendments thereto, if any; if a corporation, a copy of all minutes of any proceedings of its directors, stockholders or members relating to or affecting the issue of said security; if a corporation, a copy of its by-laws and of any amendments thereto; if a trustee, a copy of all instruments by which the trust is created and in which it is accepted, acknowledged or declared;

"d. A statement showing the amount of capital stock, if any, and if no capital stock, the amount of capital of the issuer that is contemplated to be employed; the number of shares into which such stock is divided, or if not divided into shares of stock, what division is to be made or is contemplated; the par value of each share, or if no par stock, the price at which such security is proposed to be sold; the promotional fees or commissions to be paid for the sale of same, including any and all compensations of every nature that are in any way to be allowed the promoters or allowed for the sale of same; and how such compensation is to be paid, whether in cash, securities, service or otherwise, or partly of either or both; also, the amount of cash to be paid, or securities to be issued, given, transferred or sold to promoters for promotion or organization services and expenses, and the amount of promotion or organization services and expenses which will be assumed or in any way paid by the insurer;

"e. Copies of certificates of the stock and all other securities to be

sold, or offered for sale, together with application blanks therefor; a copy of any contract it proposes to make concerning such security; a copy of any prospectus or advertisement or other description of security prepared by or for it for distribution or publication;

"f. A detailed statement prepared in accordance with generally accepted auditing standards and procedures and generally accepted accounting principles, showing all the assets and all the liabilities of the issuer, said statement to reflect the financial condition of the issuer on a day not more than ninety (90) days prior to the date such statement is filed. Such statement shall list all assets in detail and shall show how the value of such assets was determined, that is, whether the value set forth in said statement represents the actual cost in money of such assets, or whether such value represents their present market value, or some other value than the actual cost in money, and shall show the present actual value of said assets; also, whether the value set forth in the statement is greater or less than the actual cost value in money and greater or less than the present market value of such assets. If any of the assets consist of real estate, then said statement shall show the amount for which said real estate is rendered for state and county taxes, or assessed for taxes. If any such assets listed shall consist of anything other than cash and real estate, same shall be set out in detail so as to give the Commissioner the fullest possible information concerning same, and the Commissioner shall have the power to require the filing of such additional information as he may deem necessary to determine whether or not the true value of said assets are reflected in the statement filed. Should any of the assets listed in said statement be subject to any repurchase agreement, or any other agreement of like character, by the terms of which the absolute ownership of, or title to said assets is qualified or limited in any way, then the terms and conditions of said agreement by which the absolute ownership of, or title to said assets is qualified or limited, as well as the amount and character of the assets subject thereto shall be fully stated. Said statement shall list all current liabilities, that is, all liabilities which will ma-

ture and become due within one year from the date of such application, and shall list separately from such current liabilities, all other liabilities, contingent or otherwise, showing the amount of those which are secured by mortgage or otherwise, the assets of the issuer which are subject to such mortgage, and the dates of maturity of any such mortgage indebtedness. Such application shall also include a detailed profit and loss statement, prepared in accordance with generally accepted auditing standards and procedures and generally accepted accounting principles, which shall cover the last three (3) years' operations of the issuer, if such issuer has been in operation for three (3) years, but if not, said profit and loss statement shall cover the time that said issuer has been operating. If said issuer has not been operating, but is taking over a concern of any kind which has been previously operating, then a financial and profit and loss statement showing the operations of the concern thus taken over for a period of the last three (3) years next preceding the taking over of said concern shall be included in said statement; said profit and loss statement shall clearly reflect the amount of net profit or net loss incurred during each of the years shown."

Sec. 13. If any Section or any part of this Act shall be held to be invalid, such invalidity shall not affect the remaining portions thereof, it being the express intention of the Legislature to enact such Act without respect to such Section or part so held to be invalid.

Sec. 14. Prior law exclusively governs all suits, actions, proceedings, rights, liabilities and causes of action which are pending or accrue before the effective date of this Act; the same shall continue and remain in full force and effect until terminated as under the law now in force.

Sec. 15. The fact that the Securities Act has now been in effect for more than five (5) years and that, as it has been used, there have been noted certain areas in which it can be improved and certain clarifications and omissions which can be supplied so as to make the Act more effective to promote the general economy of this State by regulating the securities markets to the public advantage make it urgent that the amendments

to the Securities Act contained in this Bill be enacted and made effective as promptly as possible. These facts create an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in each House be suspended and this Rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

The report was read and was adopted by the following vote:

Yeas—27

Aikin	Moffett
Blanchard	Moore
Calhoun	Owen
Cole	Parkhouse
Colson	Patman
Crump	Ratliff
Dies	Reagan
Hall	Richter
Harrington	Rogers
Hazlewood	Schwartz
Herring	Strong
Kazen	Watson
Kennard	Word
Krueger	

Absent

Bates	Hardeman
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Absent—Excused

Creighton	Spears
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Reports of Standing Committees

Senator Dies by unanimous consent submitted the following reports:

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Counties, Cities and Towns, to which was referred H. B. No. 937, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

DIES, Chairman.

Austin, Texas,
May 1, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Counties, Cities and Towns, to which was referred S. B. No. 490, have had

the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass as substituted, and be printed.

DIES, Chairman.

C. S. S. B. No. 490 was read first time.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Counties, Cities and Towns, to which was referred H. B. No. 527, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

DIES, Chairman.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Counties, Cities and Towns, to which was referred H. B. No. 947, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

DIES, Chairman.

Senator Crump by unanimous consent submitted the following report:

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Education, to whom was referred H. B. No. 995, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

CRUMP, Chairman.

House Bill 527 Ordered Not Printed

On motion of Senator Reagan and by unanimous consent H. B. No. 527 was ordered not printed.

House Bill 447 Ordered Not Printed

On motion of Senator Harrington and by unanimous consent H. B. No. 447 was ordered not printed.

Senate Bill 278 With House Amendments

Senator Schwartz called S. B. No. 278 from the President's table for consideration of the House amendments to the bill.

The President laid the bill and House amendments before the Senate, and the House amendments were read.

Senator Schwartz moved that the Senate concur in the House amendments.

The motion prevailed by the following vote:

Yeas—39

Aikin	Krueger
Bates	Moffett
Blanchard	Moore
Calhoun	Owen
Cole	Parkhouse
Colson	Patman
Crump	Ratliff
Dies	Rogan
Hall	Richter
Hardeman	Rogers
Harrington	Schwartz
Hazlewood	Strong
Herring	Watson
Kasen	Word
Kennard	

Absent—Excused

Craighton Spears

Reports of Standing Committee

Senator Dies by unanimous consent submitted the following reports:

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Counties, Cities and Towns, to which was referred H. B. No. 971, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass and be not printed.

DIES, Chairman.

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: We, your Committee on Coun-

ties, Cities and Towns, to which was referred H. B. No. 1017, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

DIES, Chairman.

House Bill 106 on Second Reading

On motion of Senator Parkhouse and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to third reading:

H. B. No. 106, A bill to be entitled "An Act amending Chapter 20, Title 122A, Taxation—General, Revised Civil Statutes of Texas, 1925, as last amended by Chapter 24, Acts, Fifty-seventh Legislature, First Called Session, 1961; imposing a limited sales, excise and use tax on the sale or use of certain tangible personal property in this state and providing for the administration and enforcement of such tax and the allocation of revenues therefrom; amending Chapter 6 of Title 122A, Taxation—General, of the Revised Civil Statutes of Texas (Motor Vehicle Retail Sales and Use Tax); amending Article 12.21, Title 122A, Taxation—General, Revised Civil Statutes of Texas, 1925, as last amended by Chapter 24, Acts of the Fifty-seventh Legislature, First Called Session, 1961, so as to impose an additional franchise tax for the period from May 1, 1964, to and including April 30, 1965; providing a saving clause; providing a severability clause; providing for an effective date; repealing laws in conflict; and declaring an emergency."

The bill was read the second time.

Senator Word offered the following amendment to the bill:

Amend House Bill No. 106 by striking all of paragraph (2) of subsection (B) of the quoted Article 20.04 and renumbering the remaining paragraphs of subsection (B) accordingly.

The amendment was read and failed of adoption.

Record of Votes

Senators Rogers, Word, Hall, Strong, Moffett, Ratliff and Watson

asked to be recorded as voting "Yea" on the adoption of the above amendment.

Senator Reagan offered the following amendment to the bill:

Amend Article 20.04 (F) of Section 1 of H. B. 106 to:

1. Add the number (1) immediately following the section heading and before the word "There."

2. Change the sub-paragraphs now numbered "(1)", "(2)", "(3)", "(4)" and "(5)" to be designated as "(a)", "(b)", "(c)", "(d)", and "(e)" respectively.

3. Add a new paragraph to read as follows:

"(2) There are exempted from the taxes imposed by this Chapter the receipts from the sale of tangible personal property when sold by a religious, charitable, eleemosynary or social organization provided such tangible personal property has been donated specifically for such sale and further provided that the receipts from such sale are used exclusively for religious, charitable or eleemosynary purposes."

The amendment was read and failed of adoption.

Record of Vote

Senator Watson asked to be recorded as voting "Yea" on the adoption of the above amendment.

Senator Kennard offered the following amendment to the bill:

Amend H. B. No. 106 by striking all of Section 3 and inserting in lieu thereof the following:

"Sec. 3. Article 12.21 of Chapter 12 of Title 122A, Taxation—General of the Revised Civil Statutes of Texas, 1925, be amended to read as follows: 'Article 12.21. Additional franchise tax for years ending April 30, 1961; April 30, 1962; April 30, 1963; April 30, 1964; April 30, 1965; and April 30, 1966.

(1) In addition to the franchise tax due and payable under Article 12.01 of this Chapter, there is hereby levied on all corporations paying a franchise tax under the provisions of Article 12.01 of this Chapter an additional franchise tax for the privilege of doing business in Texas in corporate

form in the periods from May 1, 1960, to and including April 30, 1961, and from May 1, 1961, to and including April 30, 1962, and from May 1, 1962, to and including April 30, 1963, and from May 1, 1963, to and including April 30, 1964, and from May 1, 1964, to and including April 30, 1965, and from May 1, 1965, to and including April 30, 1966, which additional franchise tax shall be computed by multiplying the tax due and payable under Article 12.01 of this Chapter for the aforesaid periods by 22.22 per cent.

(2) Corporations eligible to and electing to compute the franchise tax for which they are liable under the provisions of Article 12.19 of this Chapter shall, for the privilege of doing business in Texas in corporate form in the periods from May 1, 1960, to and including April 30, 1961, and from May 1, 1961, to and including April 30, 1962, and from May 1, 1962, to and including April 30, 1963, and from May 1, 1963, to and including April 30, 1964, and from May 1, 1964, to and including April 30, 1965, and from May 1, 1965, to and including April 30, 1966, pay an additional franchise tax in accordance with the following schedule:

If Total Assets Are at Least	But Less Than	The Additional Tax Shall Be
\$ 0.00	\$ 20,000.00	\$ 7.50
20,000.00	40,000.00	12.00
40,000.00	60,000.00	20.00
60,000.00	80,000.00	30.00
80,000.00	90,000.00	40.00
90,000.00	110,000.00	45.00
110,000.00	120,000.00	50.00
120,000.00	130,000.00	55.00
130,000.00	140,000.00	60.00
140,000.00	150,000.00	65.00

(3) The additional franchise tax levied by this Article shall be paid at the same time, in the same manner, and subject to the same terms, penalties and conditions as the franchise tax that will become due and payable in the same periods under the provisions of this Chapter.

(4) The State Comptroller of Public Accounts shall have the right to make and promulgate such rules and regulations and to prescribe such forms as he deems necessary for the efficient and effective administration of the additional franchise tax levied by this Article.

(5) The additional franchise tax

levied by this Article shall be cumulative of all other taxes imposed by this State.

(6) The additional franchise tax levied by this Article shall expire on April 30, 1966'."

The amendment was read.

Question on adoption of the amendment. Yeas and Nays were demanded.

The amendment failed of adoption by the following vote:

Yeas—10

Aikin	Harrington
Bates	Kazen
Cole	Kennard
Colson	Patman
Dies	Schwartz

Nays—18

Blanchard	Owen
Calhoun	Parkhouse
Crump	Ratliff
Hall	Reagan
Hardeman	Richter
Hazlewood	Rogers
Herring	Strong
Krueger	Watson
Moffett	Word

Absent—Excused

Spears

Pair

Senator Moore (present) who would vote Yea, with Senator Creighton (absent), who would vote Nay.

Senator Kennard offered the following amendment to the bill:

Amend House Bill 106 by adding a new Section 4 and by renumbering the remaining sections accordingly:

"Sec. 4. Chapter 12 of Title 122A, Taxation-General of the Revised Civil Statutes of Texas, 1925, is hereby amended by adding a new Article 12.23 to read as follows:

'ARTICLE 12.23. ADDITIONAL FRANCHISE TAX FOR THE YEAR ENDING APRIL 30, 1966

(1) In addition to the franchise tax due and payable under Article 12.01 of this Chapter, there is hereby levied on all corporations paying a franchise tax under the provisions of Article 12.01 of this Chapter an additional franchise tax for the privilege of do-

ing business in Texas in corporate form in the periods from May 1, 1965, to and including April 30, 1966, which additional franchise tax shall be computed by multiplying the tax due and payable under Article 12.01 of this Chapter for the aforesaid periods by 11.11 per cent.

(2) Corporations eligible to and electing to compute the franchise tax for which they are liable under the provisions of Article 12.19 of this Chapter shall, for the privilege of doing business in Texas in corporate form in the period from May 1, 1965, to and including April 30, 1966, pay an additional franchise tax in accordance with the following schedule:

If Total Assets Are at Least	But Less Than	The Additional Tax Shall Be
\$ 0.00	\$ 20,000.00	\$ 3.75
20,000.00	40,000.00	6.00
40,000.00	60,000.00	10.00
60,000.00	80,000.00	15.00
80,000.00	90,000.00	20.00
90,000.00	110,000.00	22.50
110,000.00	120,000.00	25.00
120,000.00	130,000.00	27.50
130,000.00	140,000.00	30.00
140,000.00	150,000.00	32.50

(3) The additional franchise tax levied by this Article shall be paid at the same time, in the same manner, and subject to the same terms, penalties and conditions as the franchise tax that will become due and payable in the same period under the provisions of this Chapter.

(4) The State Comptroller of Public Accounts shall have the right to make and promulgate such rules and regulations and to prescribe such forms as he deems necessary for the efficient and effective administration of the additional franchise tax levied by this Article.

(5) The additional franchise tax levied by this Article shall be cumulative of all other taxes imposed by this State.

(6) The additional franchise tax levied by this Article shall expire on April 30, 1966'."

The amendment was read and failed of adoption.

Senator Owen offered the following amendment to the bill:

Amend Section H, Article 20.04, Limiting Sales, Excise and Use Tax by adding a new paragraph to read as follows:

This exemption shall also apply to receipts from the sale, use or rental of, and the storage use or other consumption in this state of, tangible personal property furnished pursuant to a purchase order, rental contract or subcontract (regardless of the time such purchase order, rental contract or subcontract was or may be made) to a party to a written contract exempt under this Section and used in the performance of such exempt contract.

The amendment was read and failed of adoption.

Senator Cole offered the following amendment to the bill:

Amend Article 20.04 (O) of H. B. No. 106 by adding thereto subsection (4) which shall read as follows:

(4) Any other provisions of this Chapter to the contrary notwithstanding:

(a) There are exempted from the taxes imposed by this Chapter the sale, production, distribution, lease or rental of, and the storage use or other consumption in this State of gas and electricity sold to or used by any person engaged in ship building or ship repairing.

(b) There are exempted from the taxes imposed by this Chapter the lease or rental prices of, or the storage, use or other consumption in this State of tangible personal property leased or rented by any person engaged in ship building or ship repairing from the United States of America or any of its unincorporated agencies or instrumentalities or any incorporated agency or instrumentality of the United States of America wholly owned by the United States of America or by a corporation wholly owned by United States of America.

(c) There are exempted from the taxes imposed by this Chapter the receipts from the sale, lease or rental of, or the storage, use or other consumption in this State of tangible personal property used by any person engaged in ship building or ship repairing to maintain, repair, or improve real or personal property leased or rented from the United States of America or any of its unincorporated agencies or instrumentalities or any incorporated agency or instrumentality of the United States of America wholly owned by

the United States of America or by a corporation wholly owned by the United States of America by any person engaged in ship building or ship repairing provided the United States of America or any of its unincorporated agencies or instrumentalities or any incorporated agency or instrumentality of the United States of America wholly owned by the United States of America or a corporation wholly owned by the United States of America pays the lessee or renter thereof therefor.

(d) The exemption contained in this Chapter with respect to ship repairing shall apply and be effective regardless of whether or not the contract for such ship repairing contains a lump sum price covering both the performance of the services and the furnishing of the necessary incidental tangible personal property.

(e) The purposes of this subsection (4) is to clarify existing law and merely expresses the original intention of the Legislature. The word ship wherever used in this subsection (4) shall mean and include ship, vessel and barge, of any kind, type or description.

COLE
SCHWARTZ

The amendment was read and failed of adoption.

Senator Watson offered the following amendment to the bill:

Amend House Bill 106, Article 20.04, Section (Q) fourth paragraph (1) to read as follows: "processing tangible personal property, or process-for sale as tangible personal property."

The amendment was read and failed of adoption.

Senator Kazen offered the following amendment to the bill:

Amend Art. 20.04 to H. B. 106 by adding a new section B (5) to read as follows:

Work Clothes.

(1) There are exempted from the taxes imposed by this bill the receipts from the sale, storage, use or other consumption in this State of any single article of outer wearing apparel, the retail price of which is less than Ten Dollars (\$10).

(2) For the purpose of this section any components of outer wear-

ing apparel ordinarily sold or offered for sale as a pair, suit, or ensemble shall be when sold deemed to be the sale of a single article.

The amendment was read.

Question—Shall the amendment by Senator Kazen to H. B. No. 106 be adopted?

Recess

On motion of Senator Hardeman the Senate at 11:55 o'clock a.m. took recess until 2:00 o'clock p.m. today.

After Recess

The President called the Senate to order at 2:00 o'clock p.m. today.

Message from the House

Hall of the House of Representatives
Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following:

H. B. No. 722, A bill to be entitled "An Act amending Article 913, P. C., 1925 (relating to the taking of fish and wildlife for propagation) zoological gardens, or scientific purposes; and declaring an emergency."

Respectfully submitted,

DOROTHY HALLMAN,

Chief Clerk, House of Representatives

House Bill 106 on Second Reading

The Senate resumed the consideration of the pending business, same being H. B. No. 106 on its second reading and passage to third reading (the bill having been read the second time this morning with an amendment by Senator Kazen pending.)

Question—Shall the amendment by Senator Kazen to H. B. No. 106 be adopted?

Question on adoption of the amendment, yeas and nays were demanded.

The amendment failed of adoption by the following vote:

Yeas—2

Harrington

Kazen

Nays—24

Aikin	Moffett
Blanchard	Owen
Calhoun	Parkhouse
Cole	Patman
Colson	Ratliff
Crump	Reagan
Dies	Richter
Hardeman	Rogers
Hazlewood	Schwartz
Herring	Strong
Kennard	Watson
Krueger	Word

Absent

Hall Moore

Absent—Excused

Spears

Pair

Senator Bates (present), who would vote Yea, with Senator Creighton (absent), who would vote Nay.

Senator Strong offered the following amendment to the bill:

Amend H. B. 106 by deleting the period at the end of line 45 on page 14, insert a comma in lieu thereof and add the following: "provided that wood shavings used in chicken houses shall be included within the term 'agricultural products' as used herein."

STRONG
DIES

The amendment was read and failed of adoption.

Senator Hall offered the following amendment to the bill:

Amend Section 1 of H. B. No. 106 by adding subparagraph (6) to paragraph (F) of Article 20.04 quoted therein, to read as follows:

"(6) Any non-profit foundation established for the primary purposes of furthering education in the field of political science and government, and the establishment of a legislative study and research center."

The amendment was read and failed of adoption.

The bill was passed to third reading.

House Bill 106 on Third Reading

Senator Parkhouse moved that Senate Rule 32 and the Constitutional

Rule requiring bills to be read on three several days be suspended and that H. B. No. 106 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—28

Aikin	Krueger
Bates	Moffett
Blanchard	Moore
Calhoun	Owen
Cole	Parkhouse
Colson	Patman
Crump	Ratliff
Dies	Reagan
Hall	Richter
Hardeman	Rogers
Hazlewood	Schwartz
Herring	Strong
Kazen	Watson
Kennard	Word

Nays—1

Harrington

Absent—Excused

Creighton

Spears

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and passed by the following vote:

Yeas—28

Aikin	Krueger
Bates	Moffett
Blanchard	Moore
Calhoun	Owen
Cole	Parkhouse
Colson	Patman
Crump	Ratliff
Dies	Reagan
Hall	Richter
Hardeman	Rogers
Hazlewood	Schwartz
Herring	Strong
Kazen	Watson
Kennard	Word

Nays—1

Harrington

Absent—Excused

Creighton

Spears

House Bill 148 on Second Reading

The President laid before the Senate as pending business H. B. No. 148 on its second reading and pas-

sage to third reading (the bill having been read second time on yesterday).

Question—Shall H. B. No. 148 be passed to third reading?

Senator Hall offered the following amendment to the bill:

Amend House Bill 145 by adding at the end of Section 4, Subsection (d) the following:

“Actively seeking suitable work as used herein, shall mean that the unemployed individual must have applied for suitable employment at least one time during each seven-day period prior to day of registration for unemployment compensation benefits. Applicant’s oral assertion or statement shall be proof of such active seeking as above set out.”

The amendment was read.

Pending discussion of the amendment, Senator Hall by unanimous consent withdrew the pending amendment.

Senator Hall then offered the following amendment to the bill:

Amend H. B. No. 148 by adding Section 5 thereto as follows:

“Section 5. ‘Actively seeking suitable work,’ as used herein, shall mean that the unemployed individual must have applied for suitable employment daily, excluding Saturdays, Sundays, and holidays, during each seven (7) day period prior to day of each registration for unemployment compensation benefits. Applicants’ oral assertion or statement shall be proof of such active seeking of employment as above set out. Applicant at the time of each registration shall sign such forms as may be required by the Rules and Regulations of the Texas Employment Commission.”

The amendment was read and was adopted.

On motion of Senator Krueger and by unanimous consent the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to third reading.

House Bill 148 on Third Reading

Senator Krueger moved that the Constitutional Rule and Senate Rule

32 requiring bills to be read on three several days be suspended and that H. B. No. 148 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—27

Aikin	Moffett
Blanchard	Moore
Calhoun	Owen
Colson	Parkhouse
Crump	Patman
Dies	Ratliff
Hall	Reagan
Hardeman	Richter
Harrington	Rogers
Hazlewood	Schwartz
Herring	Strong
Kazen	Watson
Kennard	Word
Krueger	

Nays—2

Bates	Cole
Absent—Excused	
Creighton	Spears

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed by the following vote:

Yeas—26

Aikin	Krueger
Blanchard	Moffett
Calhoun	Owen
Colson	Parkhouse
Crump	Patman
Dies	Ratliff
Hall	Reagan
Hardeman	Richter
Harrington	Rogers
Hazlewood	Schwartz
Herring	Strong
Kazen	Watson
Kennard	Word

Nays—2

Bates	Moore
Absent	
Cole	
Absent—Excused	
Creighton	Spears

Report of Standing Committee

Senator Kazen by unanimous consent submitted the following report:

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate:

Sir: We, your Committee on Legislative, Congressional and Judicial Districts, to whom was referred H. B. 68, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do not pass but that the committee substitute do pass and be printed in lieu of the original bill.

KAZEN, Chairman.

C. S. H. B. No. 68 was read the first time.

**House Concurrent Resolution 21
on Second Reading**

On motion of Senator Blanchard and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading the following resolution:

H. C. R. No. 21, Memorializing the Congress of the United States to call a convention for the purpose of proposing an amendment to Article V of the Constitution of the United States.

The resolution was read and was adopted.

Record of Vote

Senator Patman asked to be recorded as voting "Nay" on the adoption of the above resolution.

House Bill 782 on Second Reading

On motion of Senator Owen and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to third reading:

H. B. No. 782, A bill to be entitled "An Act amending Section 467, House Bill No. 77, Second Called Session, 44th Legislature, as such has been heretofore amended, being the Texas Liquor Control Act, and being the Act carried in Vernon's Penal Code as Article 666 and 667, by adding to Section 15 of Article I a new paragraph to be designated (7b) to pro-

vide for a United States bonded liquor export permit authorizing the holder thereof to engage in the business of importing, transporting, and warehousing United States bonded liquor and the exporting of the same in less than wholesale quantities; etc.; and declaring an emergency."

The bill was read second time and passed to third reading.

House Bill 782 on Third Reading

Senator Owen moved that the Constitutional Rule and Senate Rule 32 requiring bills to be read on three several days be suspended and that H. B. No. 782 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—24

Bates	Krueger
Blanchard	Moffett
Calhoun	Moore
Colson	Owen
Crump	Parkhouse
Dies	Patman
Hall	Ratliff
Hardeman	Reagan
Harrington	Richter
Hazlewood	Strong
Kazen	Watson
Kennard	Word

Nays—1

Aikin

Present—Not Voting

Herring Schwartz

Absent

Cole Rogers

Absent—Excused

Creighton Spears

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed.

Resolutions Signed

The President signed in the presence of the Senate after the caption had been read, the following enrolled resolutions:

H. C. R. No. 70, Recalling H. B.

No. 359 from Governor's Office for certain corrections.

H. C. R. No. 74, Respectfully requesting the Governor to return House Bills Numbers 314, 316 and 317 to the Enrolling and Engrossing Clerk of the House for certain corrections.

Reports of Standing Committees

Senator Dies by unanimous consent submitted the following report:

Austin, Texas,

May 2, 1963.

Hon. Preston Smith, President of the Senate:

Sir: We, your Committee on Counties, Cities and Towns, to whom was referred H. B. No. 984, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass and be printed.

DIES, Chairman.

Austin, Texas,

May 2, 1963.

Hon. Preston Smith, President of the Senate:

Sir: We, your Committee on Counties, Cities and Towns, to whom was referred H. B. No. 574, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass and be printed.

DIES, Chairman.

Senator Parkhouse, by unanimous consent, submitted the following reports:

Austin, Texas,

May 2, 1963.

Hon. Preston Smith, President of the Senate:

Sir: We, your Committee on Water and Conservation, to whom was referred H. B. No. 488, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass and be printed.

PARKHOUSE, Chairman.

Austin, Texas,

May 2, 1963.

Hon. Preston Smith, President of the Senate:

Sir: We, your Committee on Water and Conservation, to whom was re-

ferred H. B. No. 1008, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass and be printed.

PARKHOUSE, Chairman.

Senator Dies by unanimous consent submitted the following report:

Austin, Texas,
May 2, 1963.

Hon. Preston Smith, President of the Senate:

Sir: We, your Committee on Counties, Cities and Towns, to which was referred H. B. No. 992, have had the same under consideration, and we are instructed to report it back to the Senate with the recommendation that it do pass and be printed.

DIES, Chairman.

House Bill 579 Ordered Not Printed

On motion of Senator Owen and by unanimous consent H. B. No. 579 was ordered not printed.

House Bill 574 Ordered Not Printed

On motion of Senator Cole and by unanimous consent H. B. No. 574 was ordered not printed.

House Bill 984 Ordered Not Printed

On motion of Senator Cole and by unanimous consent H. B. No. 984 was ordered not printed.

House Bill 488 Ordered Not Printed

On motion of Senator Parkhouse and by unanimous consent H. B. No. 488 was ordered not printed.

House Bill 1008 Ordered Not Printed

On motion of Senator Parkhouse and by unanimous consent H. B. No. 1008 was ordered not printed.

Additional Copies of Senate Resolutions 484 and 482 Ordered Printed

On motion of Senator Reagan and by unanimous consent 10 extra copies of S. R. No. 484 and 6 extra copies of S. R. No. 482 were ordered printed.

Senate Bill 493 on First Reading

By unanimous consent the following local bill was introduced, read

first time and referred to the committee indicated:

By Senator Hall:

S. B. No. 493, A bill to be entitled "An Act authorizing the employment of a stenographer or secretary for the County Judge in all counties of the State having a population of not less than forty-one thousand (41,000) inhabitants and not more than forty-three thousand (43,000) inhabitants according to the last preceding Federal Census; and declaring an emergency."

To the Committee on Counties, Cities and Towns.

House Bill 992 Ordered Not Printed

On motion of Senator Schwartz and by unanimous consent H. B. No. 992 was ordered not printed.

House Bill 48 on Second Reading

The President laid before the Senate on its second reading and passage to third reading:

H. B. No. 48, A bill to be entitled "An Act amending the Texas Motor Vehicle Safety-Responsibility Act relating to the deposit of security following certain accidents, the proof of financial responsibility in certain instances, the suspension of certain licenses, registrations and non-resident operating privileges, and certain penalties; providing for severability; and declaring an emergency."

The bill was read second time.

Senator Moore offered the following amendment to the bill:

Amend H. B. No. 48 by deleting all of page 11, and substituting in lieu thereof the following:

Sec. 9. Section 9 of Article III of the Texas Motor Vehicle Safety-Responsibility Act is amended to read hereafter as follows:

"Section 9. The Security required under this article may be by cash deposit or by bond written by an insurance company having a capital of \$500,000.00 or more, duly authorized to execute surety bonds in this State in the amount the Department may require or in such other form and in such amount as the Department may require but in no case less than \$250.00 nor in excess of the limits specified in Section 5 in reference to

the acceptable limits of a policy. The person depositing security shall specify in writing the person or persons on whose behalf the deposit is made and, at any time while such deposit is in the custody of the Department or the State Treasurer of the State of Texas, the person depositing it may, in writing, amend the specification of the person or persons on whose behalf the deposit is made to include an additional person or persons; provided, however, that a single deposit of security shall be applicable only on behalf of persons required to furnish security because of the same accident and the same motor vehicle.

"The Department may reduce the amount of security ordered in any case within six (6) months after the date of the accident if, in its judgment, the amount ordered is excessive. In case the security originally ordered has been deposited the excess deposited over the reduced amount ordered shall be returned to the depositor or his personal representative forthwith, notwithstanding the provisions of Section 10."

Sec. 10. Section 10 of Article III of the Texas Motor Vehicle Safety-Responsibility Act is amended to read hereafter as follows:

"Section 10. 'Cash' Security deposited in compliance with the requirements of this Article shall be placed by the Department in"

The amendment was read and was adopted.

Senator Bates offered the following amendment to the bill:

Amend H. B. No. 48 by striking all of Section 13 therefrom and substituting in lieu thereof the following:

"Section 13. Section 13 of the Texas Motor Vehicle Safety Responsibility Act is amended to read hereafter as follows:

"Section 13. (a) Upon the receipt of a certified copy of a judgment, the Department shall forthwith suspend the license and all registrations and any non-resident's operating privilege of any person against whom such judgment was rendered, except as hereinafter otherwise provided in this Section and in Section 16 of this Act.

(b) If the judgment creditor consents in writing, in such form as the Department may prescribe, that the judgment debtor be allowed license

and registration or non-resident's operating privilege, the same may be allowed by the Department, in its discretion, for six (6) months from the date of such consent and thereafter until such consent is revoked in writing, notwithstanding default in the payment of such judgment, or of any installments thereof prescribed in Section 16, provided the judgment debtor furnishes proof of financial responsibility.

(c) Notwithstanding any other provision of this Act any person whose license, registration or non-resident's operating privilege has been suspended, or is about to be suspended or shall become subject to suspension under this Article, may relieve himself from the effect of the judgment by filing with the Department satisfactory evidence that there was in effect at the time of the accident out of which the judgment arose a policy of liability insurance covering the operation of the motor vehicle involved and filing with the Department an affidavit stating that at the time of the accident upon which the judgment has been rendered he was insured, that the insurer is liable to pay such judgment and the reason, if known, why the insurance company has not paid the judgment. He shall also file the original policy of insurance or a certified copy thereof, if available, and such other documents as the Department may require to show that the loss, injury, or damage for which the judgment was rendered, was covered by the policy of insurance.

If the Department is satisfied from such papers that the insurer was authorized to issue the policy of insurance in this State at the time of issuing the policy and that such insurer is liable to pay such judgment, at least to the extent and for the amounts provided in this Article, the Department shall not suspend the license, registration or non-resident's operating privilege, or if already suspended, shall reinstate them.

Any person whose license, registration or non-resident's operating privilege has heretofore been suspended under the provisions of this Article may take advantage of this section."

The amendment was read and was adopted.

Senator Richter offered the following amendment to the bill:

Amend Section 4 of H. B. No. 48 by renumbering paragraphs 3, 4 and 5 of Subsection (c) of quoted Section 5 as paragraphs 4, 5 and 6 respectively, and by adding thereto a new paragraph 3, which shall read as follows:

"3. To any person employed by the government of the United States, when such person is acting within the scope or office of his employment."

The amendment was read and was adopted.

Senator Strong offered the following amendment to the bill:

Amend H. B. 48 by deleting from line 63, on page 2, from lines 9 and 10, on page 3, and from line 23 on page 5, the words "Two Hundred and Fifty Dollars (\$250)" and insert in lieu thereof the word "One Hundred Dollars (\$100)."

The amendment was read and was adopted.

Senator Strong offered the following amendment to the bill:

Amend H. B. 48 by deleting therefrom Sec. 22 contained on line 37 through 52 on page 10 thereof.

The amendment was read.

On motion of Senator Dies the amendment was tabled.

Senator Watson offered the following amendment to the bill:

Amend H. B. 48 by striking out all below the enacting clause and substitute the following:

Section 1. Subsection 10 of Section 1 of Article 1 of the Texas Motor Vehicle Safety-Responsibility Act is amended to read hereafter as follows:

"10. 'Proof of Financial Responsibility.' Proof of ability to respond in damages for liability, on account of accidents occurring subsequent to the effective date of said proof, arising out of the ownership, maintenance or use of a motor vehicle, in the amount of Five Thousand Dollars (\$5,000) because of bodily injury to or death of one person in any one accident, and subject to said limit for one person, in the amount of Ten Thousand Dollars (\$10,000) because of bodily injury to or death of two (2) or more persons in any one accident, and in

the amount of Five Thousand Dollars (\$5,000) because of injury to or destruction of property of others in any one accident."

Sec. 2. Section 4 of Article III of the Texas Motor Vehicle Safety-Responsibility Act is amended to read hereafter as follows:

"Section 4. The operator of every motor vehicle which is in any manner involved in an accident within the State, in which any person is killed or injured or in which damage to the property of any one person, including himself, to an apparent extent of at least One Hundred Dollars (\$100) is sustained, shall within ten (10) days after such accident report the matter in writing to the Department. Such report, the form of which shall be prescribed by the Department, shall contain information to enable the Department to determine whether the requirements for the deposit of security under Section 5 are inapplicable by reason of the existence of insurance or other exceptions specified in this Act. Any written report of accident in accordance with Section 44, Chapter 421, Acts of the Fiftieth Legislature, Regular Session, 1947, as last amended by Chapter 363, Acts of the Fifty-third Legislature, Regular Session, 1953, compiled as Article 6701d, Section 44, Vernon's Texas Civil Statutes, if actually made to the Department, shall be sufficient provided it also contains the information required herein. The Department may rely upon the accuracy of the information unless and until it has reason to believe that the information is erroneous. If such operator be physically incapable of making such report, the owner of the motor vehicle involved in such accident shall, within ten (10) days after learning of the accident, make such report. The operator or the owner shall furnish such additional relevant information as the Department shall require."

Sec. 3. Section 5 of Article III of the Texas Motor Vehicle Safety-Responsibility Act is amended to read hereafter as follows:

"Section 5. (a) If twenty (20) days after the receipt of a report of a motor vehicle accident within this State which has resulted in bodily injury or death, or damage to the property of any one person of at least One Hundred Dollars (\$100), the Department

does not have on file evidence satisfactory to it that the person who would otherwise be required to file security under Subsection (b) of this Section has been released from liability, or has been finally adjudicated not to be liable, or has executed a duly acknowledged written agreement providing for the payment of an agreed amount in installments with respect to all claims for injuries or damages resulting from the accident, the Department shall determine the amount of security which shall be sufficient in its judgment, and in no event less than Two Hundred and Fifty Dollars (\$250) to satisfy any judgment or judgments for damages resulting from such accident as may be recovered against each operator or owner.

"(b) The Department shall, within sixty (60) days after the receipt of such report of a motor vehicle accident, suspend the license and all registrations of each operator and owner of a motor vehicle in any manner involved in such accident, and if such operator or owner is a nonresident the privilege of operating a motor vehicle within this State, and the privilege of the use within this State of any motor vehicle owned by him, unless such operator, owner or operator and owner shall deposit security in the sum so determined by the Department and in no event less than Two Hundred and Fifty Dollars (\$250), and unless such operator and owner shall give proof of financial responsibility; provided notice of such suspension shall be sent by the Department to such operator and owner not less than two (2) days prior to the effective date of such suspension and shall state the amount required as security and the necessity for proof of financial responsibility. Where erroneous information is given the Department with respect to the matters set forth in Subdivisions 1, 2 and 3 of Subsection (c) of this Section, it shall take appropriate action as hereinbefore provided, within sixty (60) days after receipt by it of correct information with respect to said matters.

"(c) This Section shall not apply under the conditions stated in Section 6 nor:

"1. To such operator or owner if such owner had in effect at the time of such accident a motor vehicle liability policy with respect to the motor vehicle involved in such accident;

"2. To such operator, if not the owner of such motor vehicle, if there was in effect at the time of such accident a motor vehicle liability policy or bond with respect to his operation of motor vehicles not owned by him;

"3. To such operator or owner if the liability of such operator or owner for damages resulting from such accident is, in the judgment of the Department, covered by any other form of liability insurance policy or bond; nor

"4. To any person qualifying as a self-insurer under Section 34 of this Act, or to any person operating a motor vehicle for such self-insurer.

"No such policy or bond shall be effective under this Section or under Section 7 unless issued by an insurance company or surety company authorized to write motor vehicle liability insurance in this State, except that if such motor vehicle was not registered in this State, or was a motor vehicle which was registered elsewhere than in this State at the effective date of the policy, or the most recent renewal thereof, such policy or bond shall not be effective under this Section unless the insurance company or surety company if not authorized to do business in this State shall execute a power of attorney authorizing the Department to accept service on its behalf of notice or process in any action upon such policy or bond arising out of such accident; providing, however, every such policy or bond is subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than Five Thousand Dollars (\$5,000) because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, to a limit of not less than Ten Thousand Dollars (\$10,000) because of bodily injury to or death of two (2) or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, to a limit of not less than Five Thousand Dollars (\$5,000) because of injury to or destruction of property of others in any one accident.

"(5) Wherever the word 'bond' appears in this Section or this Act, it shall mean a bond filed with and approved by the Department of Public Safety."

Sec. 4. Section 6 of Article III of

the Texas Motor Vehicle Safety-Responsibility Act is amended to read hereafter as follows:

"Section 6. The requirements as to security, proof of financial responsibility and suspension in Section 5 shall not apply:

"1. To the operator or the owner of a motor vehicle involved in an accident wherein no injury or damage was caused to the person or property of any one other than such operator or owner;

"2. To the operator or the owner of a motor vehicle legally parked at the time of the accident;

"3. To the owner of a motor vehicle if at the time of the accident the vehicle was being operated without his permission, express or implied, or was parked by a person who had been operating such motor vehicle without such permission; nor

"4. If, prior to the date that the Department would otherwise suspend license and registration of nonresident's operating privilege under Section 5, there shall be filed with the Department evidence satisfactory to it that the person, who would otherwise have to file security and proof, has been released from liability or been finally adjudicated not to be liable or has executed a duly acknowledge written agreement providing for the payment of an agreed amount in installments, with respect to all claims for injuries or damages resulting from the accident."

Sec. 5. Section 7 of Article III of the Texas Motor Vehicle Safety-Responsibility Act is amended to read hereafter as follows:

"Section 7. The license and registration and nonresident's operating privilege suspended as provided in Section 5 shall remain so suspended and shall not be renewed nor shall any such license or registration be issued to such person until:

"1. Such person shall deposit and file or there shall be deposited and filed on his behalf the security and proof required under Section 5 and under this Section; or

"2. Two (2) years shall have elapsed following the date of such accident and evidence satisfactory to the Department has been filed with it that during such period no action for damages arising out of the accident has been instituted, provided such person files proof of financial responsibility; or

"3. Evidence satisfactory to the Department has been filed with it of a release from liability, or a final adjudication of nonliability, or a duly acknowledged written agreement, in accordance with Subdivision 4 of Section 6; provided, however, in the event there shall be any default in the payment of installment under any duly acknowledged written agreement, then, upon notice of such default, the Department shall forthwith suspend the license and registration or nonresident's operating privilege of such person defaulting which shall not be restored unless and until

"(a) Such person deposits and thereafter maintains security as required under Section 5 in such amount as the Department may then determine and files proof of financial responsibility; or

"(b) Two (2) years shall have elapsed following the date when such security was required and during such period no action upon such agreement has been instituted in a court in this State, provided such person gives proof of financial responsibility."

Sec. 6. Article III of the Texas Motor Vehicle Safety-Responsibility Act is amended by adding thereto a new Section to be known as Section 7A, which shall read as follows:

"Reinstatement—Fees

"Section 7A. Whenever a license or registration, or nonresident's operating privilege is suspended and the filing of proof of financial responsibility is, under this Article, made a prerequisite to reinstatement thereof, or to the issuance of a new license or registration, no such license or registration, or nonresident's operating privilege shall be reinstated or new license or registration shall be issued unless the licensee or registrant or nonresident, in addition to complying with other provisions of this Article, pays to the Department a fee of Ten Dollars (\$10) in addition to any other fees which may be required by law. Only one such fee shall be paid by any one person regardless of the number of licenses and registrations to be reinstated for or issued to such person in connection with such payment.

"The fees paid pursuant to this Section shall be used by the Department to administer the provisions of this Article."

Sec. 7. Subsection (c) of Section

8 of Article III of the Texas Motor Vehicle Safety-Responsibility Act is amended to read hereafter as follows:

"(c) Upon receipt of such certification that the operating privilege of a resident of this State has been suspended or revoked in any such other state pursuant to a law providing for its suspension or revocation for failure to deposit security for the payment of judgments arising out of a motor vehicle accident or to file proof of financial responsibility, under circumstances which would require the Department to suspend a nonresident's operating privilege had the accident occurred in this State, the Department shall suspend the license and all the registrations of such resident. Such suspension shall continue until such resident furnishes evidence of his compliance with the law of such other state relating to the deposit of such security and proof of financial responsibility."

Sec. 8. Section 9 of Article III of the Texas Motor Vehicle Safety-Responsibility Act is amended to read hereafter as follows:

"Section 9. The security required under this Article shall be in such form and in such amount as the Department may require but in no case less than Two Hundred and Fifty Dollars (\$250) nor in excess of the limits specified in Section 5 in reference to the acceptable limits of a policy. The person depositing security shall specify in writing the person or persons on whose behalf the deposit is made and, at any time while such deposit is in the custody of the Department or the State Treasurer of the State of Texas, the person depositing it may, in writing, amend the specification of the person or persons on whose behalf the deposit is made to include an additional person or persons; provided, however, that a single deposit of security shall be applicable only on behalf of persons required to furnish security because of the same accident and the same motor vehicle.

"The Department may reduce the amount of security ordered in any case within six (6) months after the date of the accident if, in its judgment, the amount ordered is excessive. In case the security originally ordered has been deposited the excess deposited over the reduced amount ordered shall be returned to the depositor or his personal representa-

tive forthwith, notwithstanding the provisions of Section 10."

Sec. 9. Section 10 of Article III of the Texas Motor Vehicle Safety-Responsibility Act is amended to read hereafter as follows:

"Section 10. Security deposited in compliance with the requirements of this Article shall be placed by the Department in the custody of the State Treasurer and shall be applicable only to the payment of a judgment or judgments rendered against the person or persons on whose behalf the deposit was made, for damages arising out of the accident in question in an action at law, begun not later than two (2) years after the date of such accident, or within two (2) years after the date of deposit of any security under Subdivision 3 of Section 7, or to the payment in settlement, agreed to by the depositor, of a claim or claims arising out of such accident. Such deposit or any balance thereof shall be returned to the depositor or his personal representative when evidence satisfactory to the Department has been filed with it that there has been a release from liability, or a final adjudication of nonliability, or a duly acknowledged agreement, in accordance with Subdivision 4 of Section 6, or whenever, after the expiration of two (2) years from the date of the accident, or within two (2) years after the date of deposit of any security under Subdivision 3 of Section 7, the Department shall be given reasonable evidence that there is no such action pending and no judgment rendered in such action left unpaid."

Sec. 10. Section 11 of Article III of the Texas Motor Vehicle Safety-Responsibility Act is amended to read hereafter as follows:

"Section 11. Neither the report required by Section 4, the statement, whether filed or not, required by Section 17A, the action taken by the Department pursuant to this Article, the findings, if any, of the Department upon which such action is based, nor the security or proof of financial responsibility filed as provided in this Article shall be referred to in any way, nor be any evidence of the negligence or due care of either party, at the trial of any action at law to recover damages."

Sec. 11. Subsection (c) of Section 12 of Article IV of the Texas Motor Vehicle Safety-Responsibility Act is amended to read hereafter as follows:

"(c) The clerk of the court, or the judge of a court which has no clerk, in which any conviction for violation of a motor vehicle law is rendered, or in which a person charged with violation of a motor vehicle law has forfeited bail, shall forward immediately to the Department a certified copy of the judgment, order or record of other action of the court. If any person has pleaded guilty to any offense the conviction for which the Department is required to suspend or revoke the license of such person, the clerk or judge shall forward immediately a certified copy showing that such plea has been taken. This copy shall be prima facie evidence of the conviction, plea or other action stated. Where a person is convicted of any traffic violation coming within the provisions of Section 17A or has forfeited bail on such a charge, the clerk or judge, as the case may be, shall forward to the Department a report thereof which shall include information as to whether or not there was in effect at the time of the violation a motor vehicle liability policy or bond or other form of liability insurance policy or said person was self-insured with respect to the operation of the motor vehicle involved. The Department shall prepare a memorandum showing the duty of the clerk or court under this Subsection including a list of those offenses the conviction for which the Department is required to suspend or revoke the license of any person and a copy of such memorandum shall be mailed by the Department, on or before January 1, 1964, to every court having original jurisdiction of any offense which involves a report to the Department under this Subsection."

Sec. 12. Subsection (a) of Section 18 of Article IV of the Texas Motor Vehicle Safety-Responsibility Act is amended to read hereafter as follows:

"(a) Upon the receipt of a certified copy of a judgment, the Department shall forthwith suspend the license and all registrations and any nonresident's operating privilege of any person against whom such judgment was rendered except as hereinafter otherwise provided in this Section and in Section 16 of this Act."

Sec. 13. Section 15 of Article IV of the Texas Motor Vehicle Safety-Responsibility Act is amended to read hereafter as follows:

"Section 15. Judgments herein re-

ferred to shall, for the purpose of this Act only, be deemed satisfied:

"1. When Five Thousand Dollars (\$5,000) has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of one person as the result of any one accident;

"2. When, subject to such limit of Five Thousand Dollars (\$5,000) because of bodily injury to or death of one person, the sum of Ten Thousand Dollars (\$10,000) has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of two (2) or more persons as the result of any one accident; or

"3. When Five Thousand Dollars (\$5,000) has been credited upon any judgment or judgments rendered in excess of that amount because of injury to or destruction of property of others as a result of any one accident;

"Provided, however, payments made in settlements of any claims because of bodily injury, death or property damage arising from a motor vehicle accident shall be credited in reduction of the amounts provided for in this Section."

Sec. 14. Section 17 of Article IV of the Texas Motor Vehicle Safety-Responsibility Act is amended to read hereafter as follows:

"Section 17. (a) Whenever the Department, under any law of this State, suspends or revokes the license of any person upon receiving record of a conviction or a forfeiture of bail, the Department shall also suspend the registrations for all motor vehicles registered in the name of such person, and whenever the Department shall receive record of a plea of guilty to any offense the conviction for which the Department is required to suspend or revoke the license of any person, the Department shall immediately suspend the registrations for all motor vehicles registered in the name of such person, except that the Department shall not suspend any such registrations, unless otherwise required by law, if such person has previously given or shall immediately give and thereafter maintain proof of financial responsibility with respect to all motor vehicles registered by such person.

"(b) Whenever the Department under any law of this State, suspends or revokes the license of any person upon receiving record of a conviction

or suspends the registrations of any person upon receiving record of a plea of guilty, and such person was not the owner of the motor vehicle used at the time of the violation resulting in the conviction or the plea of guilty, the Department shall also suspend the license and all registrations in the name of the owner of the motor vehicle so used, if such vehicle was operated with such owner's permission or consent at the time of the violation unless such owner has previously given or shall immediately give and thereafter maintain proof of financial responsibility with respect to all motor vehicles registered by any such person.

"(c) Licenses and registrations suspended or revoked under this Section or under Section 17A shall remain suspended or revoked and shall not at any time thereafter be renewed nor shall any license be thereafter issued to such person, nor shall any motor vehicle be thereafter registered in the name of such person until permitted under the Motor Vehicle Laws of this State and not then unless and until he shall give and thereafter maintain proof of financial responsibility.

"(d) If a person is not licensed, but by final order or judgment is convicted of or forfeits any bail or collateral deposited to secure an appearance for trial for (or pleads guilty to any such offense) any offense requiring the suspension or revocation of license, or for operating a motor vehicle upon the highways without being licensed to do so, or for operating an unregistered motor vehicle upon the highways, no license shall thereafter be issued to such person and no motor vehicle shall continue to be registered or thereafter be registered in the name of such person until he shall give and thereafter maintain proof of financial responsibility.

"(e) Whenever the Department suspends or revokes a nonresident's operating privilege by reason of a conviction, forfeiture of bail or a plea of guilty, such privilege shall remain so suspended or revoked unless such person shall have previously given or shall immediately give and thereafter maintain proof of financial responsibility."

Sec. 15. Subsections (a) and (b) of Section 21 of Article IV of the Texas Motor Vehicle Safety-Respon-

sibility Act are amended to read hereafter as follows:

"Section 21. (a) A 'motor vehicle liability policy,' as said term is used in this Act shall mean an owner's or an operator's policy of liability insurance, certified as provided in Section 19 or Section 20 as proof of financial responsibility, and issued, except as otherwise provided in Section 20, by an insurance company duly authorized to write motor vehicle liability insurance in this State, to or for the benefit of the person named therein as insured.

"(b) Such owner's policy of liability insurance:

"1. Shall designate by explicit description or by appropriate reference all motor vehicles with respect to which coverage is thereby to be granted; and

"2. Shall pay on behalf of the insured named therein and any other person, as insured, using any such motor vehicle or motor vehicles with the express or implied permission of such named insured, all sums which the insured shall become legally obligated to pay as damages arising out of the ownership, maintenance or use of such motor vehicle or motor vehicles within the United States of America or the Dominion of Canada, subject to limits exclusive of interest and costs, with respect to each such motor vehicle, as follows: "Five Thousand Dollars (\$5,000) because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, Ten Thousand Dollars (\$10,000) because of bodily injury to or death of two (2) or more persons in any one accident, and Five Thousand Dollars (\$5,000) because of injury to or destruction of property of others in any one accident."

Sec. 16. Section 25 of Article IV of the Texas Motor Vehicle Safety-Responsibility Act is amended to read hereafter as follows:

"Section 25. (a) Proof of financial responsibility may be evidenced by the certificate of the State Treasurer that the person named therein has deposited with him Fifteen Thousand Dollars (\$15,000) in cash, or securities such as may legally be purchased by savings banks or for trust funds of a market value of Fifteen Thousand Dollars (\$15,000). The State Treasurer shall not accept any such deposit and

issue a certificate therefor and the Department shall not accept such certificate, unless accompanied by evidence that there are no unsatisfied judgments of any character against the depositor in the county where the depositor resides.

"(b) Such deposit shall be held by the State Treasurer to satisfy, in accordance with the provisions of this Act, any execution on a judgment issued against such person making the deposit, for damages, including damages for care and loss of services, because of bodily injury to or death of any person, or for damages because of injury to or destruction of property, including the loss of use thereof, resulting from the ownership, maintenance, use or operation of a motor vehicle after such deposit was made. Money or securities so deposited shall not be subject to attachment or execution unless such attachment or execution shall arise out of a suit for damages as aforesaid."

Sec. 17. Section 28 of Article IV of the Texas Motor Vehicle Safety-Responsibility Act is amended to read hereafter as follows:

"Section 28. Whenever any proof of financial responsibility filed under the provisions of this Act no longer fulfills the purposes for which required, the Department shall for the purpose of this Act, require other proof as required by this Act and shall suspend the license and all registrations or any nonresident's operating privilege pending the filing of such other proof."

Sec. 18. Section 29 of Article IV of the Texas Motor Vehicle Safety-Responsibility Act is amended to read hereafter as follows:

"Section 29. The Department shall upon request consent to the immediate cancellation of any bond or certificate of insurance, or the Department shall direct and the State Treasurer shall return to the person entitled thereto any money or securities deposited pursuant to this Act as proof of financial responsibility, or the Department shall waive the requirement of filing proof, in any of the following events:

"1. At any time after five (5) years from the date such proof was required when, during the five-year period preceding the request, the Department has not received record of a conviction or a forfeiture of bail which

would require or permit the suspension or revocation of the license, registration or nonresident's operating privilege of the person by or for whom such proof was furnished; or

"2. In the event of the death of the person on whose behalf such proof was filed or the permanent incapacity of such person to operate a motor vehicle; or

"3. In the event the person who has given proof surrenders his license and registration to the Department;

"Provided, however, that the Department shall not consent the cancellation of any bond or the return of any money or securities in the event any action for damages upon a liability covered by such proof is then pending or any judgment upon any such liability is then unsatisfied, or in the event the person who has filed such bond or deposited such money or securities has, within two (2) years immediately preceding such request, been involved as an operator or owner in any motor vehicle accident resulting in injury or damage to the person or property of others. An affidavit of the applicant as to the nonexistence of such facts, or that he has been released from all of his liability, or has been finally adjudicated not to be liable, for such injury or damage, shall be sufficient evidence thereof in the absence of evidence to the contrary in the records of the Department.

"Whenever any person whose proof has been canceled or returned under Subdivision 3 of this Section applies for a license or registration within a period of five (5) years from the date proof was originally required, any such application shall be refused unless the applicant shall re-establish such proof for the remainder of such five-year period."

Sec. 19. Section 31 of Article V of the Texas Motor Vehicle Safety-Responsibility Act is amended to read as follows:

"Section 31. Any person whose license or registration shall have been suspended as herein provided, or whose policy of insurance or bond, when required under this Act, shall have been cancelled or terminated, or who shall neglect to furnish other proof upon request of the Department shall immediately return his license and registration to the Department. If any person shall fail to return to the Department the li-

cense or registration as provided herein, the Department shall forthwith direct any peace officer to secure possession thereof and to return the same to the Department, and the Department shall send a certified copy of the act or order of the Department requiring the return of the license or registration to the sheriff of the county of the person's last known address. The sheriff or his deputy shall immediately upon receipt of the certified copy secure possession of the license or registration and return the same to the Department. The director of the Department of Public Safety or a person designated by him shall file a complaint in any court of competent jurisdiction under Subsection (d) of Section 32 against any person who he has reason to believe has wilfully failed to return license or registration as required herein."

Sec. 20. Subsection (b) of Section 32 of Article V of the Texas Motor Vehicle Safety-Responsibility Act is amended to read as follows:

"(b) Any person who gives information required in a report or otherwise as provided for in Section 4, knowing or having reason to believe that such information is false, or who shall forge or, without authority, sign any evidence of proof of financial responsibility, or who files or offers for filing any such evidence of proof knowing or having reason to believe that it is forged or signed without authority, or who intentionally gives to any court false information as to the existence of insurance at the time of the traffic violation coming under Section 17A, or who intentionally gives false information in a statement required by Section 17A, or who intentionally fails to file a report within the time required by Section 17A, shall be fined not more than One Thousand Dollars (\$1,000) or imprisoned for not more than one year, or both."

Sec. 21. Section 32 of Article V of the Texas Motor Vehicle Safety-Responsibility Act is amended by adding thereto a new Subsection to be known as (f) which shall read as follows:

"(f) Any person who is required to maintain proof of financial responsibility under this Act and who, during the period financial responsibility is required to be maintained, drives any motor vehicle owned by him upon any highway or knowingly permits

any motor vehicle owned by him to be operated by another upon any highway, except as permitted under this Act, when proof of financial responsibility is not in force, shall be fined not more than Five Hundred Dollars (\$500) or imprisoned not exceeding six (6) months, or both."

Sec. 22. Section 32 of Article V of the Texas Motor Vehicle Safety-Responsibility Act is amended by adding thereto a new Subsection to be known as (g) which shall read as follows:

"(g) Any case now or hereafter pending on the docket of any court involving prosecution under any provision of this Act shall be given precedence on the docket of such court and prosecution shall proceed with all due diligence."

Sec. 23. If any provision of this Act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

Sec. 24. The fact that many innocent victims of traffic accidents are unable to obtain adequate compensation for injuries and damages due to the financial inability of the responsible party to respond in damages creates an emergency and an imperative public necessity that the Constitutional rule requiring bills to be read on three several days in each House be suspended, and this Rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

The amendment was read.

Senator Dies raised the point of order that a complete substitute sent up from the floor after the bill under consideration had been amended was not in order when the substitute did not incorporate the amendments that had been previously adopted.

The President sustained the point of order.

Senator Watson offered the following amendment to the bill:

Amend H. B. 48 by striking out the words "Ten Thousand Dollars (\$10,000)" and "Twenty Thousand Dollars

(\$20,000)" respectively as they appear in the bill and substitute in place thereof the words "Five Thousand Dollars (\$5,000)" and "Ten Thousand Dollars (\$10,000)," respectively.

The amendment was read.

On motion of Senator Dies the amendment was tabled.

Senator Hall offered the following amendment to the bill:

Amend H. B. 48 by changing Section 2, subsection (b) to read as follows:

"(b) The County Court shall have full discretion, upon proper application, to grant or withhold a stay order as said court finds to be in the interest of justice and such stay order shall operate as a stay of any order or decision of the Department of Public Safety shall be by trial de novo."

The amendment was read.

Senator Dies moved to table the amendment.

Question on the motion to table, yeas and nays were demanded.

The motion to table was lost by the following vote:

Yeas—12

Bates	Moore
Dies	Patman
Harrington	Ratliff
Herring	Reagan
Kazen	Richter
Moffett	Schwartz

Nays—14

Aikin	Hardeman
Blanchard	Hazlewood
Calhoun	Krueger
Cole	Owen
Colson	Strong
Crump	Watson
Hall	Word

Present—Not Voting

Parkhouse	Rogers
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Absent

Kennard

Absent—Excused

Creighton	Spears
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Question recurring on the amendment, it was adopted.

Senator Aikin offered the following amendment to the bill:

Amend H. B. 48 by adding after the word "accident" in line 5, page 4 the following:

"or legally stopped" at the time of the accident."

The amendment was read and failed of adoption.

Senator Aikin offered the following amendment to the bill:

Amend H. B. 48 by striking out Subsection 17A of Section 16.

The amendment was read and was adopted.

Senator Calhoun offered the following amendment to the bill:

Amend H. B. 48, page 2, line 54, by adding after the figure (\$100) the following: and the operator of the vehicle involved in such accident has been charged with a traffic violation in connection with such accident or has been charged with negligence in a civil suit.

The amendment was read.

(Senator Owen in the Chair.)

Senator Dies moved to table the amendment.

Question on the motion to table, yeas and nays were demanded.

The amendment was tabled by the following vote:

Yeas—14

Bates	Moffett
Blanchard	Moore
Cole	Parkhouse
Dies	Patman
Harrington	Ratliff
Herring	Reagan
Kennard	Richter

Nays—12

Aikin	Krueger
Calhoun	Owen
Colson	Schwartz
Crump	Strong
Hall	Watson
Hazlewood	Word

Present—Not Voting

Rogers

Absent

Hardeman Kazen

Absent—Excused

Creighton Spears

Senator Aikin offered the following amendment to the bill:

Amend H. B. 48 by adding between the word "parked" and the word "at" in line 5, page 4, the following: "or legally stopped at a traffic light."

The amendment was read and was adopted.

Senator Watson offered the following amendment to the bill:

Amend H. B. 48 by adding a new section after Section 24 to be numbered Section 24A to read as follows:

"Section 24A. Whenever a person has complied with the Texas Motor Vehicle Safety-Responsibility Act and is involved in an automobile accident which results in a civil suit, the injured party may bring suit directly against insurance company which is the carrier for the alleged negligent party."

The amendment was read.

Senator Dies moved to table the amendment.

Question on the motion to table, yeas and nays were demanded.

The amendment was tabled by the following vote:

Yeas—18

Aikin	Moffett
Blanchard	Moore
Calhoun	Owen
Cole	Parkhouse
Colson	Patman
Dies	Ratliff
Herring	Reagan
Kazen	Richter
Kennard	Schwartz

Nays—9

Bates	Krueger
Crump	Strong
Hall	Watson
Harrington	Word
Hazlewood	

Present—Not Voting

Rogers

Absent

Hardeman

Absent—Excused

Creighton Spears

On motion of Senator Dies and by unanimous consent the caption was amended to conform to the body of the bill as amended.

The bill as amended was passed to third reading.

(President in the Chair.)

House Bill 48 on Third Reading

Senator Dies moved that the Constitutional Rule and Senate Rule 32 requiring bills to be read on three several days be suspended and that H. B. No. 48 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—24

Aikin	Krueger
Bates	Moffett
Blanchard	Moore
Calhoun	Owen
Cole	Parkhouse
Colson	Ratliff
Dies	Reagan
Hall	Richter
Hazlewood	Schwartz
Herring	Strong
Kazen	Word
Kennard	

Nays—4

Crump	Patman
Harrington	Watson

Present—Not Voting

Rogers

Absent

Hardeman

Absent—Excused

Creighton Spears

The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed.

Record of Votes

Senators Blanchard, Crump, Cal-

houn, Patman, Colson and Strong asked to be recorded as voting "Nay" on the final passage of H. B. No. 48.

Senator Rogers asked to be recorded as present and not voting on the final passage of H. B. No. 48.

House Joint Resolution 22 Postponed

On motion of Senator Patman and by unanimous consent H. J. R. No. 22 was postponed until Wednesday, May 8, 1963, following the Morning Call.

House Bill 116 on Second Reading

Senator Moore asked unanimous consent to suspend the regular order of business and take up H. B. No. 116 for consideration at this time.

There was objection.

Senator Moore then moved to suspend the regular order of business and take up H. B. No. 116 for consideration at this time.

The motion prevailed by the following vote:

Yeas—24

Aikin	Krueger
Bates	Moffett
Blanchard	Moore
Calhoun	Owen
Cole	Parkhouse
Colson	Reagan
Crump	Richter
Dies	Rogers
Harrington	Schwartz
Hazlewood	Strong
Herring	Watson
Kennard	Word

Nays—3

Hall	Patman
Kazen	

Absent

Hardeman	Ratliff
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Absent—Excused

Creighton	Spears
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The President laid before the Senate on its second reading and passage to third reading:

H. B. No. 116, A bill to be entitled "An Act to amend Sections 1, 2, 3 and 4 of House Bill No. 356, Chapter 408, Acts of the 56th Legislature, 1959, Regular Session (Article 1555b of the Penal Code of the State of Texas);

by defining the term 'credit card' and by making it unlawful to obtain or attempt to obtain credit or goods, property or services by the unauthorized use of a credit card; etc.; and declaring an emergency."

The bill was read second time and was passed to third reading.

House Bill 116 on Third Reading

Senator Moore moved that the Constitutional Rule and Senate Rule 82 requiring bills to be read on three several days be suspended and that H. B. No. 116 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—24

Aikin	Krueger
Bates	Moffett
Blanchard	Moore
Calhoun	Owen
Cole	Parkhouse
Colson	Ratliff
Crump	Reagan
Dies	Richter
Hazlewood	Schwartz
Herring	Strong
Kazen	Watson
Kennard	Word

Nays—3

Hall	Rogers
Patman	

Absent

Hardeman	Harrington
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Absent—Excused

Creighton	Spears
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The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed.

House Bill 446 on Third Reading

The President laid before the Senate on its third reading and final passage:

H. B. No. 446, A bill to be entitled "An Act amending Article 8306 of the Revised Civil Statutes of Texas, 1925, relating to workmen's compensation law, by amending Section 2 of that article and by adding a

Section 2a; amending Section 2 of that article to provide that persons employed both within and without this state shall be counted in determining the number of persons employed by any firm, person or corporation, whether the firm, person or corporation is resident within or without this state; etc.; and declaring an emergency."

The bill was read third time and passed.

Record of Votes

Senator Owen, Blanchard, Word, Watson, Reagan, Crump and Hall asked to be recorded as voting "Nay" on the final passage of H. B. No. 446.

Senator Rogers asked to be recorded as present and not voting on the final passage of H. B. No. 446.

House Bill 551 on Second Reading

On motion of Senator Kennard and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to third reading:

H. B. No. 551, A bill to be entitled "An Act relating to re-employment of retired auxiliary school employees; providing that they may be employed on a substitute basis for a period not to exceed eighty (80) days in any one school year; providing a penalty for employment in excess of eighty (80) days; and declaring an emergency."

The bill was read second time and passed to third reading.

Record of Vote

Senator Owen asked to be recorded as voting "Nay" on the passage of H. B. No. 551 to third reading.

Motion to Place

House Bill 551 on Third Reading

Senator Kennard moved that the Constitutional Rule and Senate Rule 32 requiring bills to be read on three several days be suspended and that H. B. No. 551 be placed on its third reading and final passage.

The motion was lost by the following vote (not receiving four-fifths vote of the Members present):

Yeas—21

Aikin	Kennard
Bates	Moffett
Blanchard	Parkhouse
Calhoun	Patman
Cole	Ratliff
Colson	Richter
Dies	Rogers
Hall	Schwartz
Harrington	Strong
Herring	Watson
Kazen	

Nays—6

Crump	Owen
Hazlewood	Reagan
Krueger	Word

Absent

Hardeman	Moore
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Absent—Excused

Creighton	Spears
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House Bill 92 on Second Reading

On motion of Senator Reagan and by unanimous consent, the regular order of business was suspended to take up for consideration at this time on its second reading and passage to third reading:

H. B. No. 92, A bill to be entitled "An Act implementing the provisions of Article IX, Section 1-a, of The Constitution of the State of Texas, authorizing the commissioners courts of any county bordering on the Gulf of Mexico or the tidewater limits thereof to regulate and restrict the speed, parking and travel of motor vehicles on beaches available to the public by virtue of public right and the littering of such beaches; etc.; and declaring an emergency."

The bill was read second time and passed to third reading.

House Bill 92 on Third Reading

Senator Reagan moved that the Constitutional Rule and Senate Rule 32 requiring bills to be read on three several days be suspended and that H. B. No. 92 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—26

Aikin	Bates
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Calhoun	Moffett
Cole	Moore
Colson	Parkhouse
Crump	Patman
Dies	Ratliff
Hall	Reagan
Harrington	Richter
Hazlewood	Rogers
Herring	Schwartz
Kazen	Strong
Kennard	Watson
Krueger	Word

Nays—2

Blanchard	Owen
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Absent

Hardeman

Absent—Excused

Creighton	Spears
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The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and was passed.

House Bill 551 on Third Reading

Senator Kennard moved that Senate Rule 32 and the Constitutional Rule requiring bills to be read on three several days be suspended and that H. B. No. 551 be placed on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—27

Aikin	Moffett
Bates	Moore
Calhoun	Owen
Cole	Parkhouse
Colson	Patman
Crump	Ratliff
Dies	Reagan
Hall	Richter
Harrington	Rogers
Hazlewood	Schwartz
Herring	Strong
Kazen	Watson
Kennard	Word
Krueger	

Absent

Blanchard	Hardeman
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Absent—Excused

Creighton	Spears
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The President then laid the bill before the Senate on its third reading and final passage.

The bill was read third time and passed.

House Bill 654 Postponed

On motion of Senator Hall and by unanimous consent H. B. No. 654 was postponed until Wednesday, May 8, 1963, following the Morning Call.

House Bill 937 Ordered Not Printed

On motion of Senator Colson and by unanimous consent H. B. No. 937 was ordered not printed.

House Bill 206 on Second Reading

The President laid before the Senate on its second reading and passage to third reading:

H. B. No. 206, A bill to be entitled "An Act amending Section 14 of Chapter 120, Acts Regular Session, 44th Legislature, page 318, as amended, Acts 1947, 50th Legislature, page 1059, Chapter 453, Section 2, codified as Section 14 of Article 6008, Vernon's Annotated Civil Statutes, and declaring an emergency."

The bill was read second time.

Question—Shall H. B. No. 206 be passed to third reading?

Welcome Resolutions

S. R. No. 478—By Senator Herring: Extending welcome to teacher and students of Fourth Grade Class of Rosedale School of Austin.

S. R. No. 479—By Senator Watson: Extending welcome to teachers and students of the Texas Government Class and U. S. Government Class from Milano High School.

S. R. No. 480—By Senator Word: Extending welcome to Mr. and Mrs. L. D. Shipman, et al., of Joshua.

S. R. No. 481—By Senator Rogers: Extending welcome to Mr. R. C. Clements, et al., of Lakeview.

S. R. No. 482—By Senator Rogers: Extending welcome to Mr. U. F. Coker, et al., of Turkey, Texas.

S. R. No. 484—By Senator Rogers: Extending welcome to Coaches and students attending Interscholastic

League Track and Golf Meet from Childress.

S. R. No. 485—By Senator Krueger: Extending welcome to Sister Veronica and students in Senior Class of St. Ludmila Academy of Shiner.

S. R. No. 486—By Senator Krueger: Extending welcome to teachers and students of 7th Grade Class of Hallettsville.

S. R. No. 487—By Senator Colson: Extending welcome to teachers and students of Ninth and Eleventh Grade Classes of North Zulch High School.

S. R. No. 488—By Senator Herring for Senator Creighton: Extending welcome to Mrs. J. P. Morris and students of Civics Class of Ranger Junior College.

S. R. No. 489—By Senator Kazen: Extending welcome to teachers and students of the Senior Class of Hebbronville High School.

Memorial Resolution

S. C. R. No. 62—By Senator Cole: In memory of Mrs. Maude Gage Sterling.

Adjournment

On motion of Senator Moffett the Senate at 4:46 o'clock p.m. adjourned until 10:00 o'clock a.m. on Monday, May 6, 1963.

Record of Vote

Senator Patman asked to be recorded as voting "Nay" on the motion to adjourn.

SIXTY-FIFTH DAY

(Monday, May 6, 1963)

The Senate met at 10:00 o'clock a.m., pursuant to adjournment, and was called to order by the President.

The roll was called, and the following Senators were present:

Aikin	Harrington
Bates	Hazlewood
Blanchard	Herring
Calhoun	Kazen
Cole	Kennard
Colson	Krueger
Creighton	Moffett
Crump	Moore
Hall	Owen
Hardeman	Parkhouse

Patman	Schwartz
Ratliff	Spears
Reagan	Strong
Richter	Watson
Rogers	Word

Absent—Excused

Dies

A quorum was announced present.

Reverend W. H. Townsend, Chaplain, offered the invocation.

On motion of Senator Aikin, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 2, 1963, was dispensed with and the Journal was approved.

Leave of Absence

Senator Dies was granted leave of absence for today on account of illness on motion of Senator Aikin.

Message From the House

Hall of the House of Representatives
Austin, Texas,
May 6, 1963.

Hon. Preston Smith, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following:

H. B. No. 31, A bill to be entitled "An Act amending subdivision (g) of Section 1 of Chapter 314, General Laws, 41st Legislature, Regular Session as heretofore amended (and now codified as subdivision (g) of section 1 of Art. 911 b Vernon's Civil Statutes) so as to re-define the term 'Motor Carrier'; providing that the terms 'Motor Carrier,' 'contract carrier' and 'specialized motor carrier' shall not include vehicles used exclusively in the transportation of sand, gravel, dirt, caliche, shell, cement, ready-mix concrete, asphalt rock, aggregate, and other similar road building substances ordinarily transported in bulk, unless, in the course of transportation a highway between two or more cities, towns or villages is traversed; providing a savings clause; and declaring an emergency."

H. B. No. 291, A bill to be entitled "An Act amending Chapter 370, Acts of the 57th Legislature, Regular Session, 1961 (compiled as Article 2615g, Vernon's Texas Civil Statutes), amending Sections 7a, 10, and 11